Mortgage Monitor report

February 2024

Contents

Overview – February 2024

Each month, the ICE Mortgage Monitor looks at a variety of issues related to the mortgage finance and housing industries.

In this report, we recap and dig into more detail on the high-level mortgage performance statistics reported in our most recent First Look, which saw delinquencies rise – in large part due to a calendar quirk – and foreclosures approaching two-year lows.

This month, we take a deeper dive into home price trends and their impact on mortgage holder equity, the recent movement in 30-year rates, what that has meant for refinance incentive, and when we might expect to see more refinance activity in 2024.

In producing the Mortgage Monitor, the ICE Data & Analytics division aggregates, analyzes and reports on the most-recently available data from the company's vast mortgage and housing-related data assets. Information is gathered from the McDash and McDash Flash loan-level mortgage-performance data sets, Collateral Analytics home price and sales trends data, eMBS agency securities data, Market Trends origination insights, the ICE Home Price Index, and the company's robust public records database covering 99.99% of the U.S. population. For more information on gaining access to ICE data assets, please call 844-474-2537 or email Mortgage.Monitor@bkfs.com.

First Look at mortgage performance

The ICE First Look at mortgage performance provides a high-level overview compiled from the ICE McDash loan-level database.

Overview of mortgage performance

Total active foreclosures approached a two-year low in December, 25% below pre-pandemic levels

19 bps

Delinquency rate

December's Sunday month-end increased delinquencies as last-day payments posted the following month

Serious delinquencies (90+ days past due) remain 19% below the previous year

17.9%

Foreclosure starts

Foreclosure starts decreased to their lowest level in 18 months; total active foreclosures were the lowest since March 2022

Loans in active foreclosure fell to the lowest level in almost two years

4.9%

Prepayment activity

Prepayment activity rose as interest rates improved, but remains under seasonal and affordability pressures

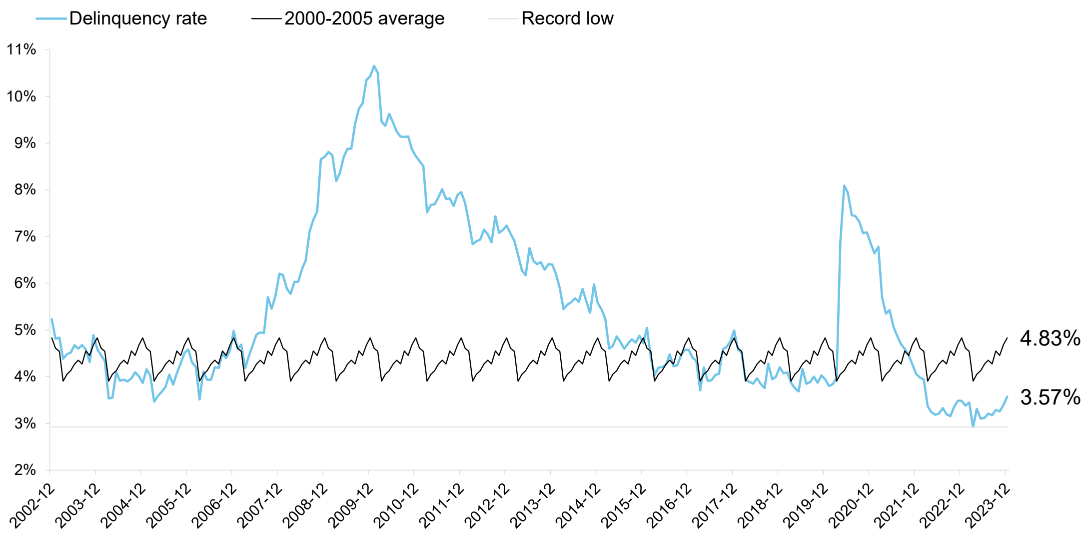
At 0.39%, single-month mortality was down almost 5% from last year

Performance and foreclosure metrics

The ICE McDash loan-level database provides key performance metrics for a clearer picture of the mortgage landscape. In this section we take an in-depth look at mortgage-performance metrics for December, including a review of performance by loan product and the impact of the month ending on a Sunday as well as checking in on foreclosure and prepayment risks. Click on each chart to view its contents in high resolution.

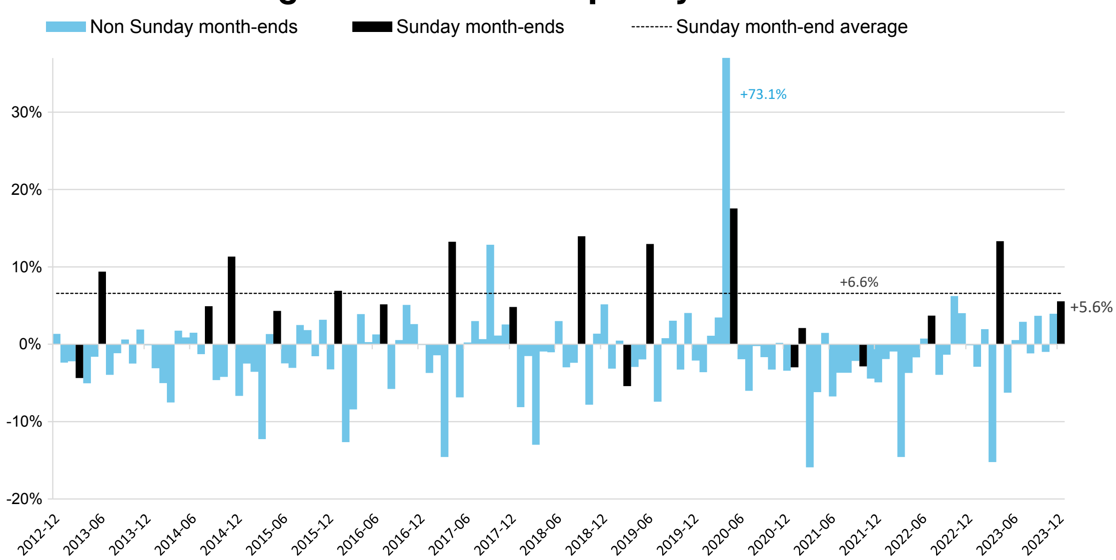
- In large part due to December ending on a Sunday, delaying the processing of payments made on the last day of the month, the national delinquency rate hit 3.57%, up 19 bps from November
- Though the rise (+5.6%) was larger than an average December (+1.4%), it was milder than past Sunday-month-end Decembers, which have seen delinquencies jump +9.9% on average
- Delinquencies were up across the board, as inflows and rolls to later stages rose, while cures from both early and late stages improved
- Serious delinquencies (90+ days past due) rose to 475K, but were still 19% (-108K) below last year's levels

National delinquency rate of first lien mortgages



Source: ICE, McDash

One-month change in first lien delinquency rate

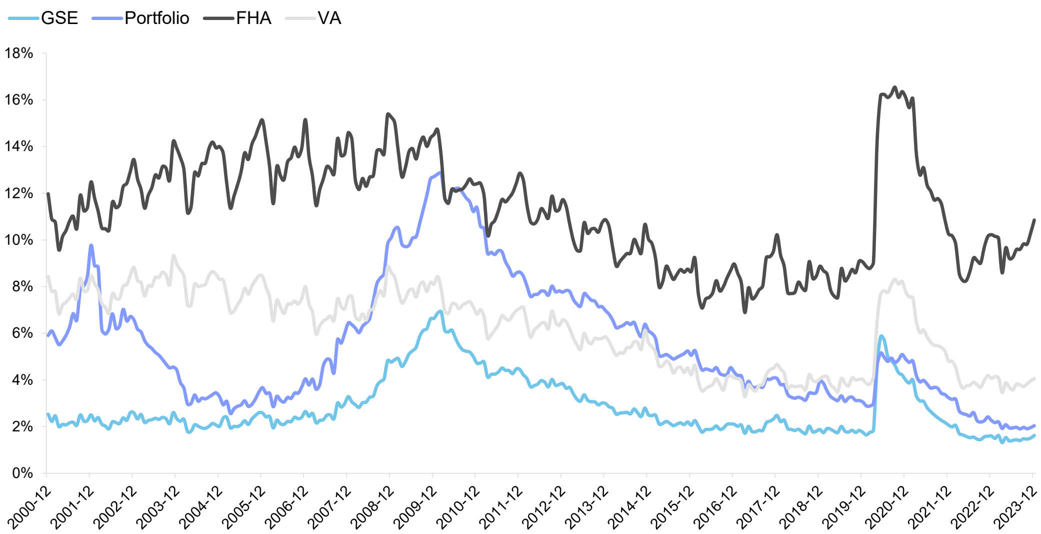


Source: ICE, McDash

Performance and foreclosure metrics

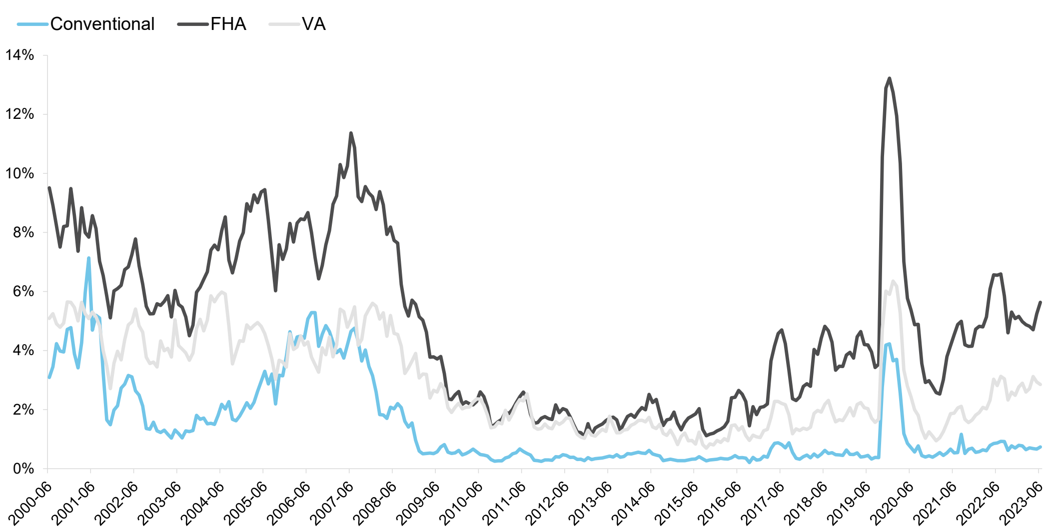
- FHA loan delinquencies continue to trend higher, up 63 bps from the same time last year
- FHA loans are the only mortgage product/investor class where delinquency rates are materially above pre-pandemic levels (+180 bps from December 2019)
- VA delinquency rates have also returned to pre-pandemic levels, but are only 3 bps above their pandemic entry point
- Portfolio delinquencies are significantly below pre-pandemic levels (-101 bps), and remain only 14 bps above their August 2023 record low, with GSE delinquencies a more modest 13 bps below December 2019
- Early payment delinquencies, measured six months after origination, have been climbing gradually among both FHA and VA loans in recent years and are worth watching closely
- Economic pressures, including higher debt-to-income ratios from elevated mortgage rates and a stronger-than-average purchase market share, among other things, are likely contributing to the increase in early payment defaults

Delinquency rate of first lien mortgages by product/investor



Source: ICE, McDash

Delinquency rate of mortgages originated six months ago

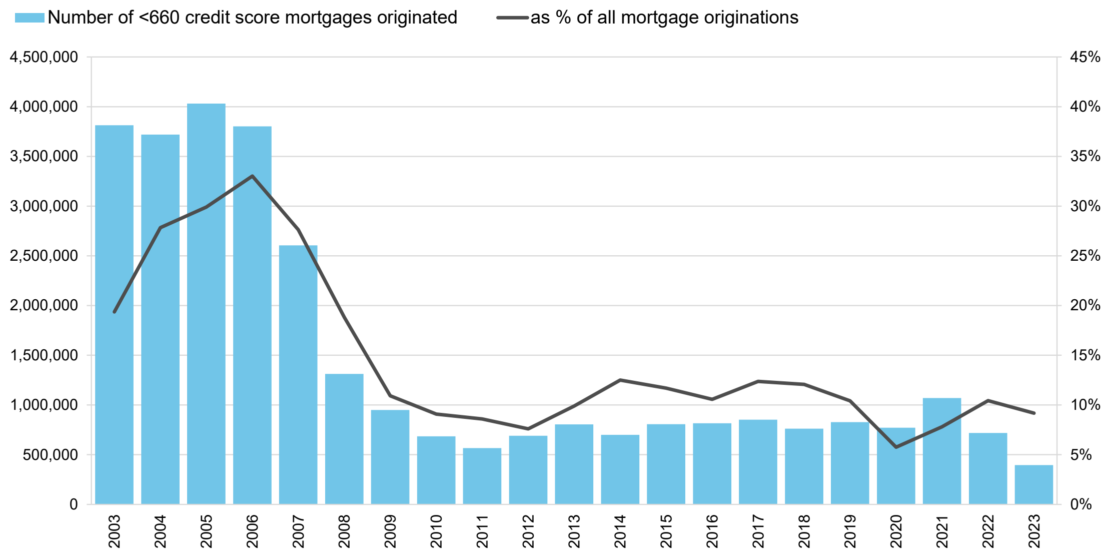


Source: ICE, McDash

Performance and foreclosure metrics

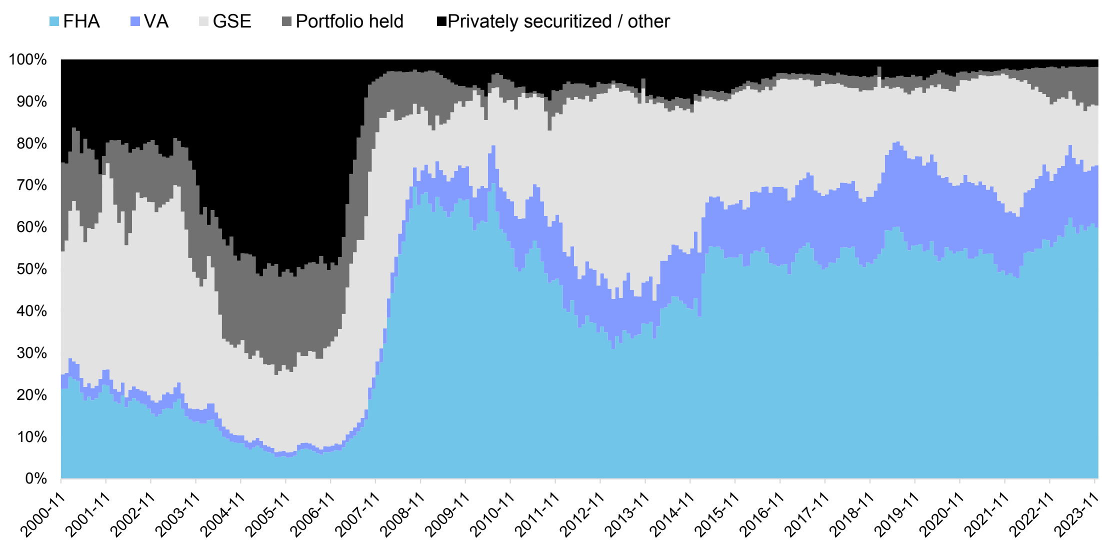
- In the absence of any meaningful private-labeled securities market, the rise in FHA delinquencies is worth watching, as FHA and VA loans can be early indicators of broader mortgage performance trends
- While low credit score lending hit a record low, by count, in 2023, 90% below the years leading up to the great financial crisis, FHA and VA products have accounted for roughly 70% of sub-660 credit score lending for most of the past decade
- This is a stark contrast from the 2004-2006 era when FHA and VA lending played a minimal role (<10%) in lower credit score lending, which then was dominated by loans backed by private-labeled securities and held in portfolio
- Given the low volume of sub-660 credit score lending and that overall delinquencies remain historically low, FHA and VA delinquencies are not currently a cause for significant broad based market concern, but are worth keeping a close eye on for those invested in GNMA securities as well as non-banks that participate more heavily in FHA and VA lending

Low credit score (<660) mortgage originations



Source: ICE, McDash +Property

Distribution of low credit score (<600) mortgage originations

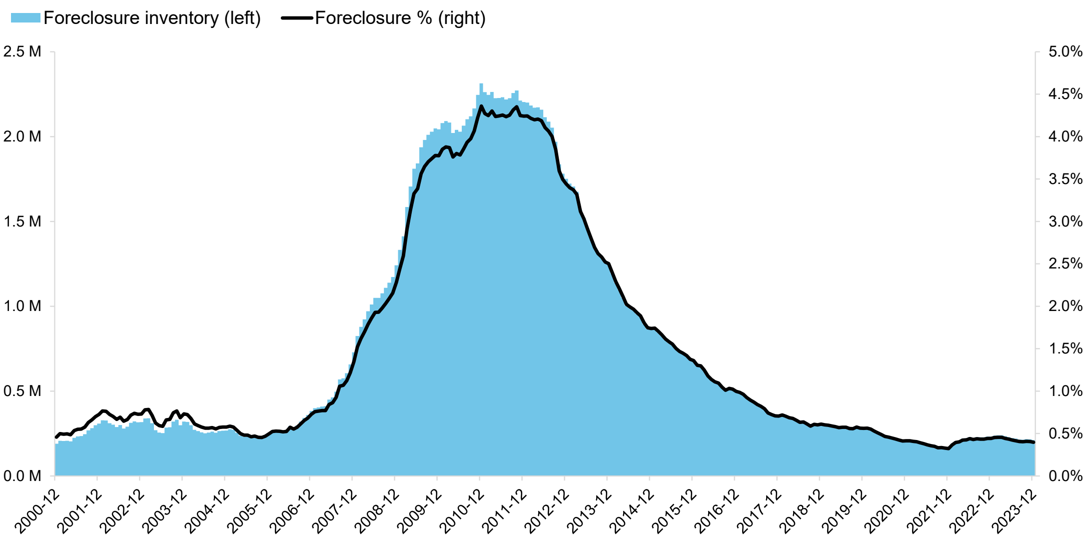


Source: ICE, McDash +Property

Performance and foreclosure metrics

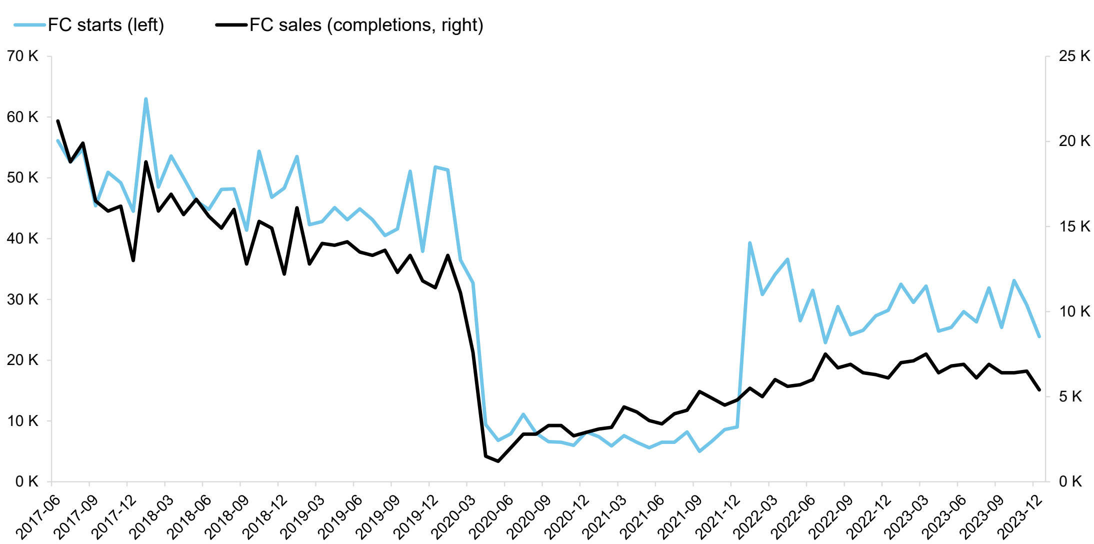
- Foreclosure starts decreased -17.9% in December to 24K, equal to 5.2% of serious delinquencies, the lowest level since July 2022
- Active foreclosure inventory ticked down 5K (-2.2%) to 212K, still 25% (-71K) below pre-pandemic levels and the lowest since March 2022
- 5,400 foreclosure sales were completed nationally in December, down -17.2% from the month prior; this is the lowest level since February 2022, shortly after the end of the pandemic-related foreclosure moratoria
- With roughly 70% of all serious delinquencies currently protected from foreclosure, and overall serious delinquency volumes still historically low, foreclosure activity remains muted
- The prospect of any kind of near-term surge in foreclosure activity remains low, with start volumes still nearly 40% below pre-pandemic levels

Foreclosure inventory



Source: ICE, McDash

Foreclosure starts and sales



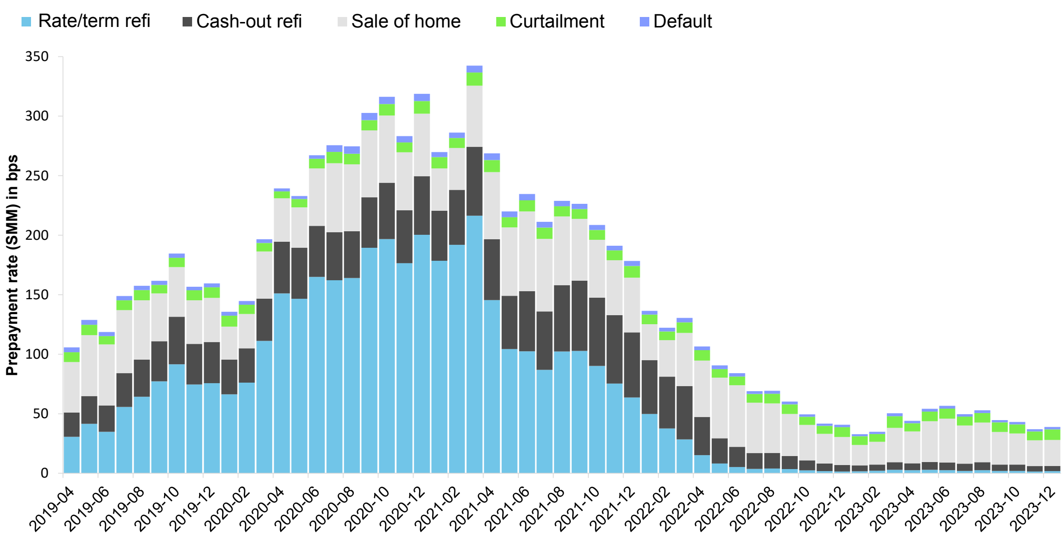
Source: ICE, McDash

Performance and foreclosure metrics

- Prepayment activity, expressed as a single month mortality (SMM) rate, rose marginally (2 bps) in December with only 39 bps of SMM in the month, but remains near all-time lows, 2 bps lower than a year ago
- Prepayments due to the sale of a home, which account for more than half (56%) of prepayment activity, held flat in the month, still impacted by the October peak in interest rates
- Cash-out related prepays, accounting for 12% of all prepayment activity, slipped to a new record low of 4.48 bps as elevated rates continue to make the withdrawal of available equity a challenge
- Rate/term related prepays, which now make up less than 5% of prepayments, rose 19% from the month prior, but still remain low by historical standards
- Curtailment activity (partial prepayments) made up 23% of prepays in the month, driven by curtailments in 2023 vintage loans

Prepay activity (SMM) by cause of prepayment

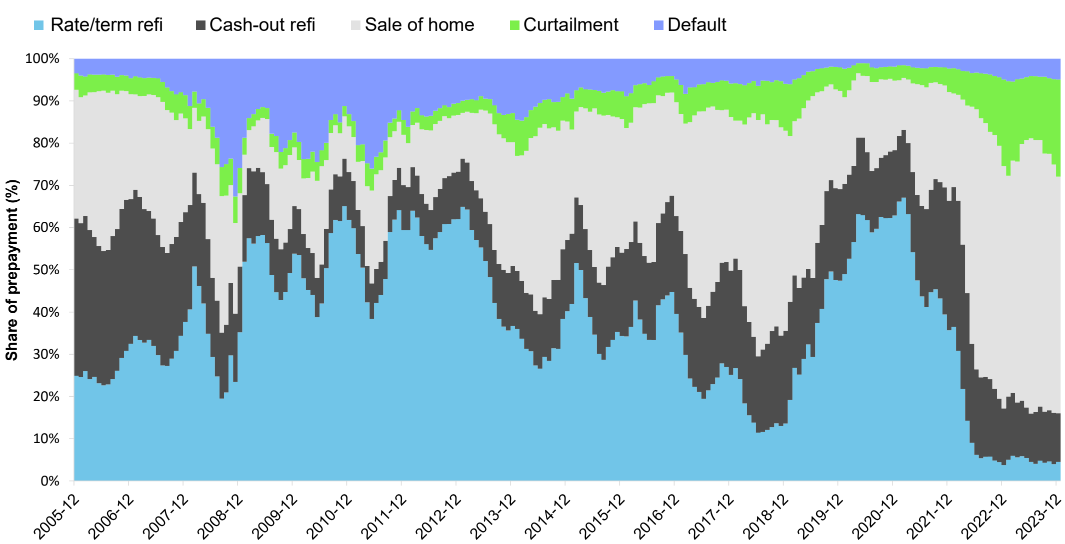
All first lien mortgages



Source: ICE, McDash

Distribution of prepay activity by reason

All first lien mortgages



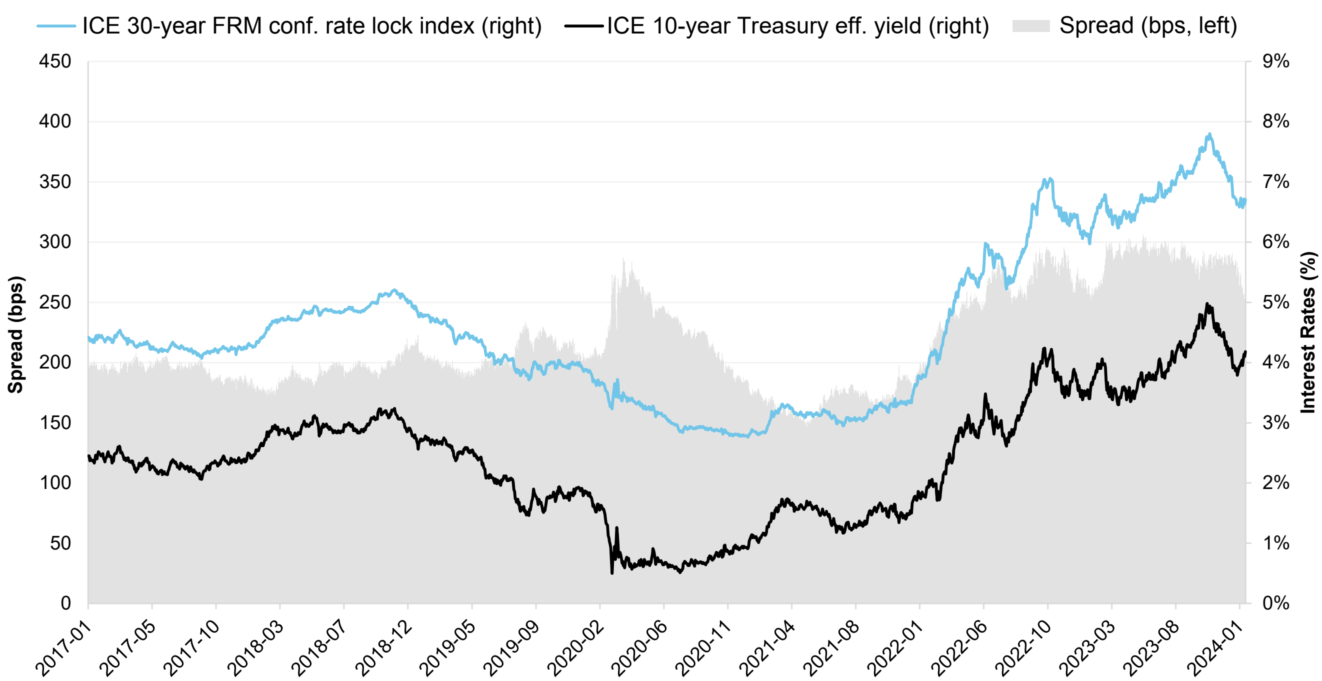
Source: ICE, McDash

Interest rates and refinance incentive

Recent movement in 30-year rates is changing mortgage market dynamics. Here we explore what that means for refinance incentive, and when and where we may begin to see refinance applications hit the market. This information comes from the ICE McDash loan-level mortgage performance database and other public and proprietary data sets. Click on each chart to view its contents in high resolution.

- According to the ICE U.S. Conforming 30-year Fixed Mortgage Rate Lock Index, mortgage rates held at 6.71% as of Jan. 24, down more than a full percentage point since their October high
- While mortgage rates have seen significant improvement from October, they currently stand roughly a half a percent higher than they were at this time last year, which is important to note for those analyzing year-over-year changes in mortgage originations and housing market demand
- Mortgage rates have held below 6.75% since Dec. 19, despite the 10-year Treasury effective yield rising 26 bps over the same period
- The spread between the 30-year fixed mortgage rate and the 10-year Treasury yield narrowed to 253 bps on Jan. 24, falling 18 bps since early January and down ~50 bps from August
- As of Jan. 26, CME FedWatch projections for the Fed to ease the Fed funds rate to the 5.00%-5.25% range at their March or May meeting were both around 50-50, with expectations to end 2024 around the 4% mark
- Composite industry forecasts have mortgage rates ending 2024 at around 6%, with spreads expected to modestly ease, but remain above long-run averages as we make our way through 2024

30-year mortgage to 10-year Treasury yield spread

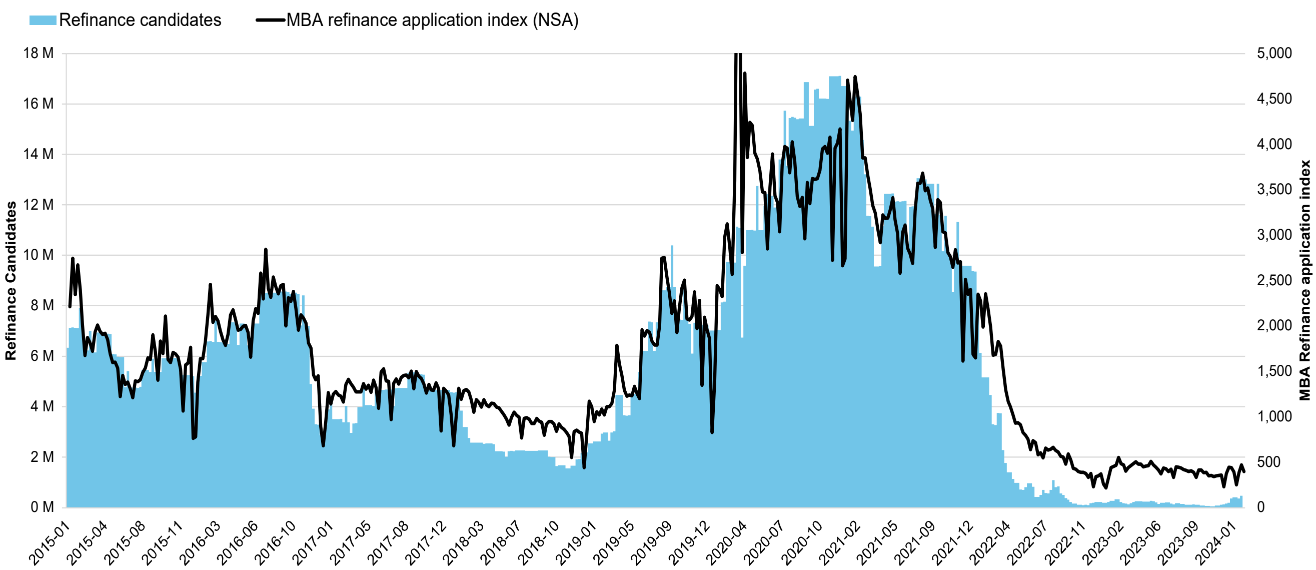


Source: ICE
Data through Jan. 24, 2024

Interest rates and refinance incentive

- Refinance incentive has edged higher in recent weeks, hitting its highest levels since September 2022, but remains extremely low by historical standards
- There are only 465K highly qualified 30-year mortgage holders (those with at least 20% equity and a 720+ credit score) in today's market, compared with an average of 5M over the past two decades
- Unsurprisingly, this has led to a modest uptick in refinance applications, with the three-week moving average of application volumes up a little over 20% in the past few weeks
- That said, it may take rates moving closer to 6% to spur a meaningful increase in refinances, as even borrowers with rates in the high 7% range could hold out for additional rate cuts forecasted for later in the year

Refinance incentive and applications - weekly

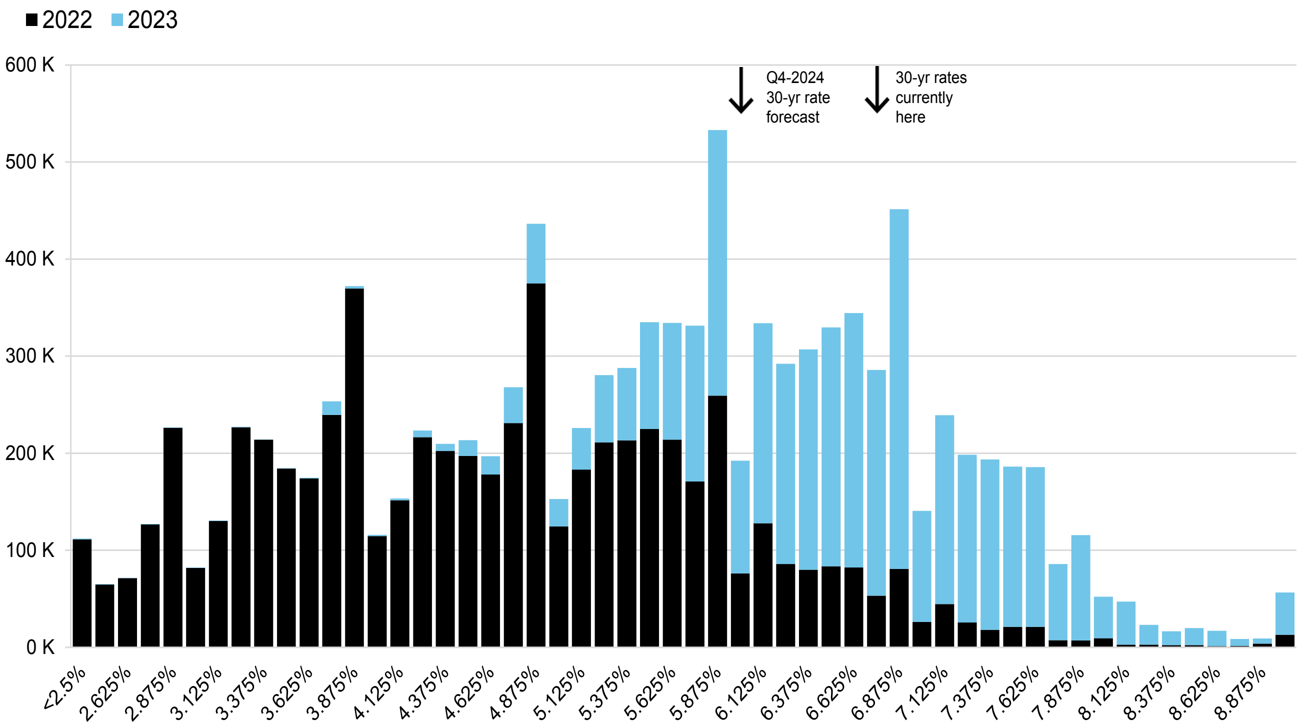


Source: ICE, McDash, MBA

Interest rates and refinance incentive

- Borrowers who took out mortgages in 2023 are the potential needle movers for refinance activity in 2024, and those loans will likely perform differently from a prepayment perspective
- While mortgage rates began to rise in 2022, the make-up of 2022 vintage mortgages is much different than those originated in 2023
- Interest rates on the 6.4M loans originated in 2022 tend to be fairly evenly distributed from the mid-3% range up to 6%, with less volume above 6%, and very little over 7%
- That being the case, only 5% of 2022 vintage loans would be 75 bps or more "in the money" for a refinance even if interest rates fell to 6% by the end of 2024, as the MBA and Fannie Mae currently forecast
- The 2023 vintage is much different, as it is more heavily concentrated at the high end of the rate spectrum, even when factoring in rate buydowns
- If rates fell to 6%, some 46% of all borrowers who took out mortgages in 2023 could reduce their rate by at least 75 bps through refinance, with nearly a third able to cut a full percentage point

Interest rate distribution for 2022-2023 mortgages



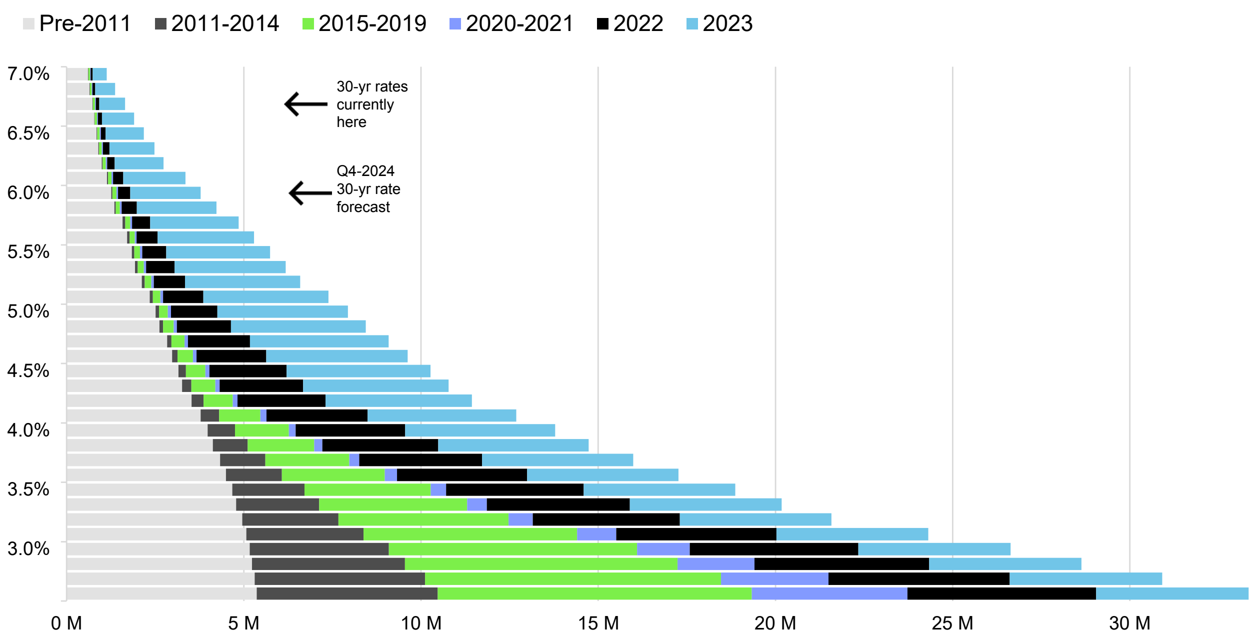
Source: ICE, McDash, MBA. Fannie Mae

Interest rates and refinance incentive

- Along with a growing share of legacy mortgages moving back "in the money," which ICE defines as having at least 75 basis points of refinance incentive, the overall population of such mortgages would more than double from 1.7M today to 3.8M if interest rates fell to 6%
- Nearly 60% of that growth will come from loans originated in 2023
- Earlier vintages wouldn't hit this threshold unless rates dropped below 5%, with the exception of pre-2011 vintages, but these borrowers have repeatedly passed on better opportunities to refinance in past years
- It would take rates falling well below 5% for a meaningful volume of borrowers outside of the 2022/2023 vintages and pre-2011 vintages to become in the money for a refinance

In-the-money mortgages under various rate scenarios

By first lien vintage



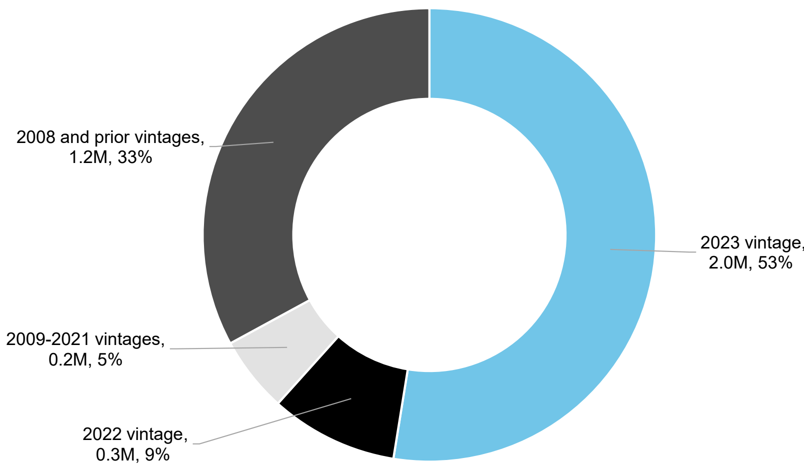
Source: ICE, McDash
"In the money" is calculated as 75 bps of rate incentive to refinance

Interest rates and refinance incentive

- Here's what the make-up of borrowers in the money for a refinance would look like if 30-year rates fall to 6% by Q4 as the MBA and Fannie Mae are currently forecasting
- Overall, the population of such borrowers would more than double, from 1.7M to 3.8M
- Under such a scenario, more than half would be homeowners who financed in 2023, with less than 10% coming from 2022 vintage loans
- A third would be borrowers who took out loans more than 15 years ago and did not refinance when rates dipped below 3%, making them unlikely to refi at 6%
- The dominance of the 2023 vintage becomes even more apparent in terms of dollars owed; last year's borrowers account for nearly 75% of total unpaid balances that would gain refinance incentive
- Lenders looking to capitalize on emerging refinance volumes should know these trends, and folks in the capital markets should be prepared for quick changes in prepayment rates among 2023 vintage loans if and when rates begin to ease

Distribution of mortgages by count

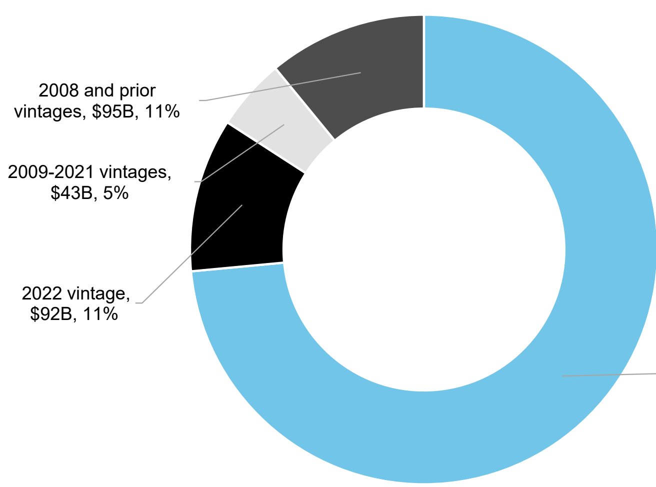
In the money for refinance if rates fall to 6%



Source: ICE, McDash
"In the money" calculated as 75 bps of rate incentive to refinance

Distribution of mortgages by balance

In the money for refinance if rates fall to 6%



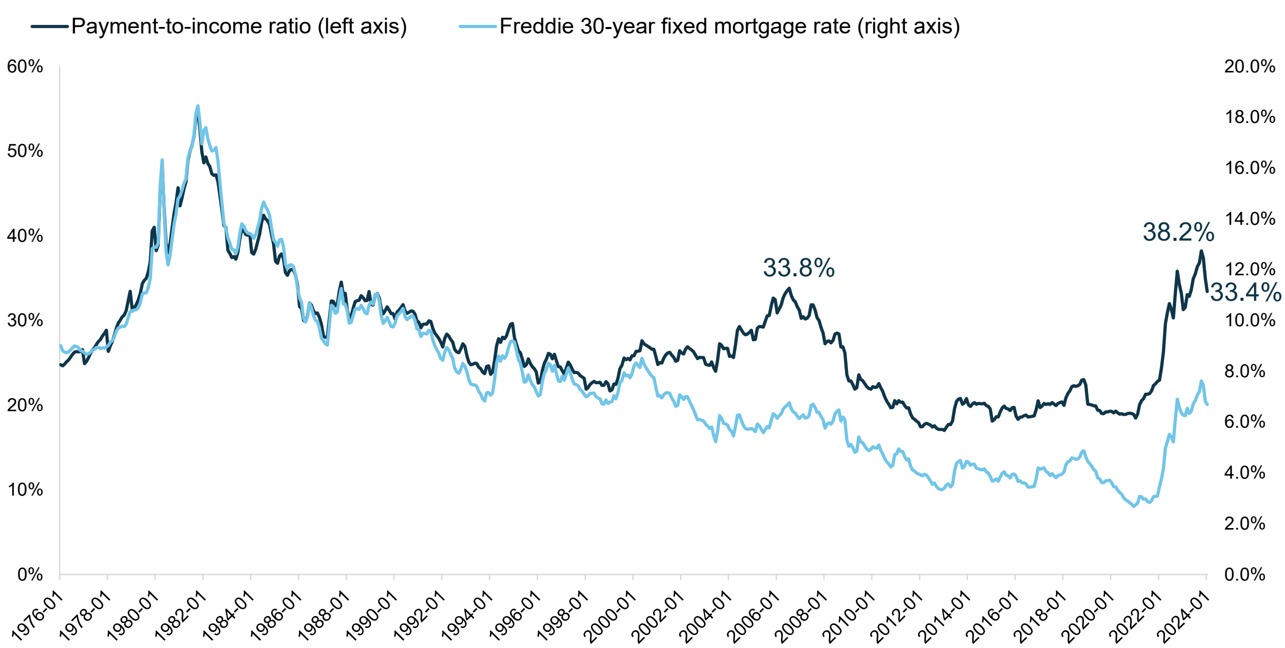
Source: ICE, McDash
"In the money" calculated as 75 bps of rate incentive to refinance

Housing market update

Recent months have seen modest improvements in rates, affordability, and inventory, with monthly home price growth moderating on a seasonally adjusted basis as well. Here we take a closer look at the latest data to provide an up-to-date picture of the U.S. housing market. This information has been compiled from the ICE Home Price Index and the company's Collateral Analytics real estate transaction database. Click on each chart to view its contents in high resolution.

- Home affordability has improved in recent months despite a modest upward jog in mortgage rates over the past few weeks
- It currently requires a $2,257 monthly payment to purchase the median-priced home, when putting 20% down and using a 30-year fixed rate loan
- That's down nearly 10% (-$243) from a record high in October, but up $831 (+58%) from the start of 2022
- At 33.4% of the median household income, the average payment is down from a 38-year high of more than 38% in October, but still 9 percentage points above the 30-year average (24.2%) and just under the 33.8% peak prior to the housing market downturn in 2006

National payment-to-income ratio*



Source: Source: ICE Home Price Index, FHLMC PMMS, Census Bureau
January 2024 reading is based on Jan. 25 FHLMC PMMS of 6.69%

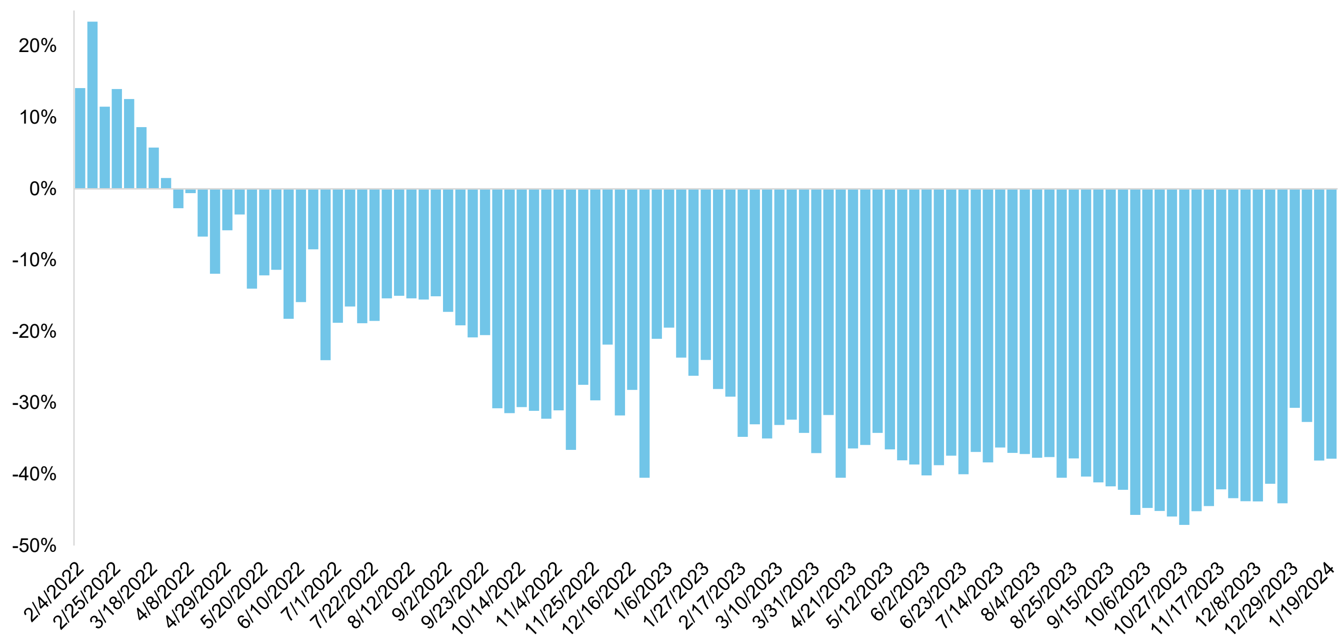
*The national payment-to-income ratio is the share of median income needed to make the monthly principal and interest payment on the purchase of the average-priced home using a 20% down 30-year fixed rate mortgage at the prevailing interest rate

Housing market update

- If current industry rate forecasts come to fruition, affordability will gradually improve as we move through 2024 but continue to run well over long-run averages throughout the year
- The recent rebound in home affordability has led to improved purchase mortgage demand with the deficit in such purchase applications sitting at -38% in recent weeks
- That's roughly where we were June through early August 2023 when mortgage rates were the same level that they are today

Mortgage applications to purchase a home

Change from 2018-2019 same-week average



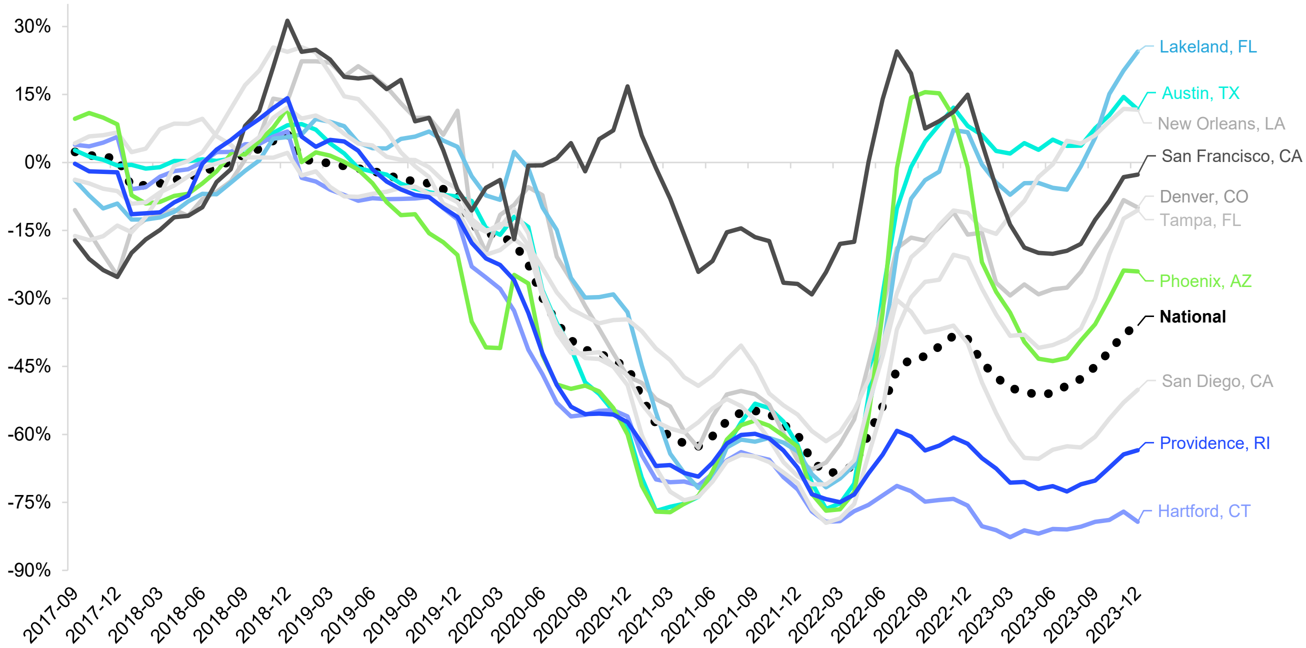
Source: MBA, ICE

Housing market update

- The national deficit of homes available for sale improved on an adjusted basis in December, falling to -36%, its best level since July 2020; compared with lows of -51% last summer and -69% in early 2022
- The number of new listings continues to run well below pre-pandemic levels (-17%), but that deficit has also improved in recent months from as steep as -31% back in March
- 99% of major markets have seen inventory levels improve on an adjusted basis over the past six months
- The largest shifts (28-30%) were seen in Florida markets (Lakeland, Tampa, Orlando, Cape Coral, North Port, and Palm Bay), as well as Memphis and Colorado Springs (+29 pp), and Knoxville and San Jose (+25 pp)
- The 13 Top 100 markets with the largest inventory deficits are in the Northeast, led by Hartford with a deficit of -79%

Deficit of homes listed for sale

(% change from 2017-2019 same month average)



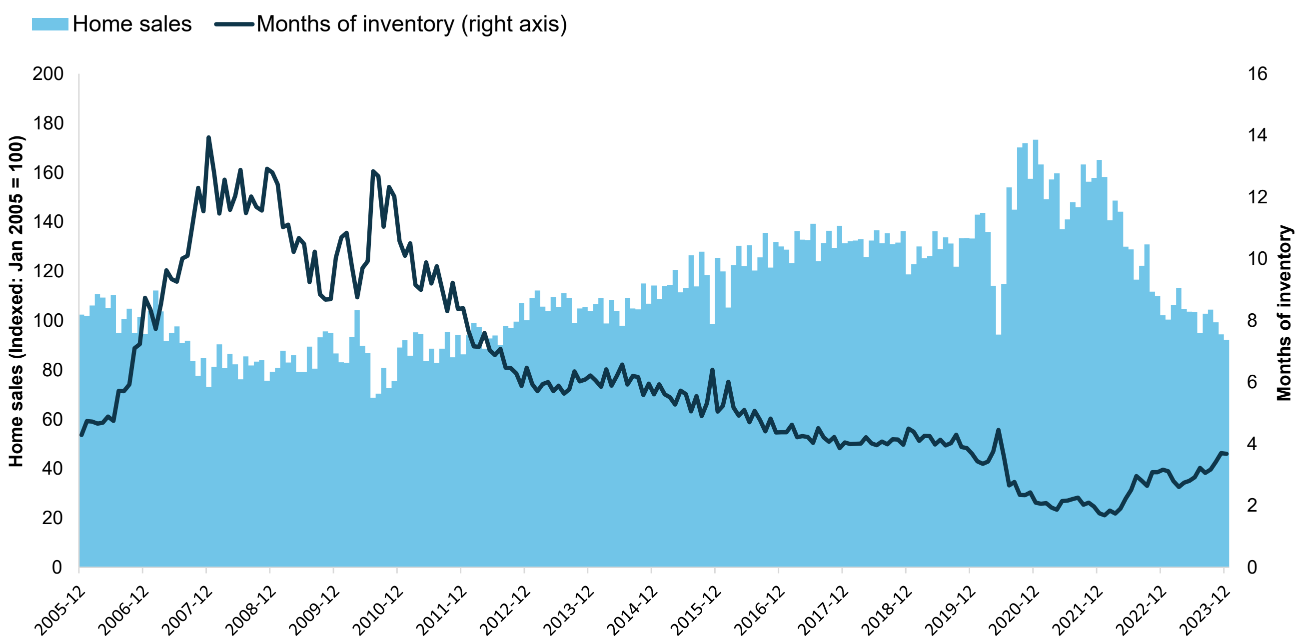
Source: ICE, Realtor.com

Housing market update

- Inventory improvements are partially a product of home sales hitting their lowest adjusted levels in 13 years in December, according to the ICE Collateral Analytics real estate transaction database
- That said, improved purchase application volumes suggest sales volumes should pick up modestly in coming months
- Collateral Analytics data shows the current market with ~3.7 months of inventory remaining
- Generally, 5 to 6 months of inventory is considered a normal or balanced market
- With inventory entering 2024 at a 36% deficit, and demand, as measured by purchase applications, at a 38% deficit, the market appears poised for more neutral prices and slowly improving sales volumes as we move through the spring buying season

Home sales and months of remaining inventory

Seasonally adjusted – single family residences and condos

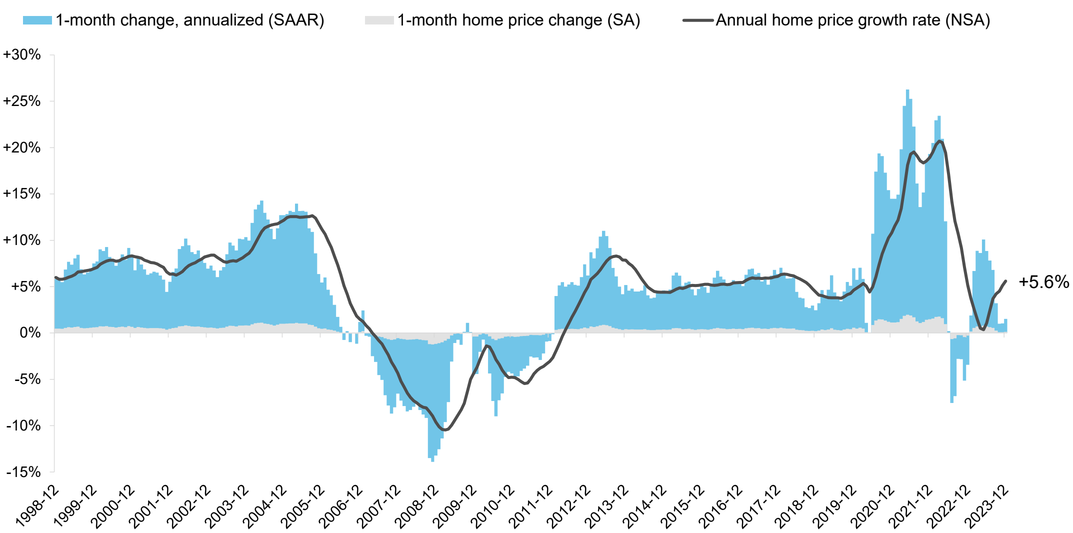


Source: ICE, Collateral Analytics

Housing market update

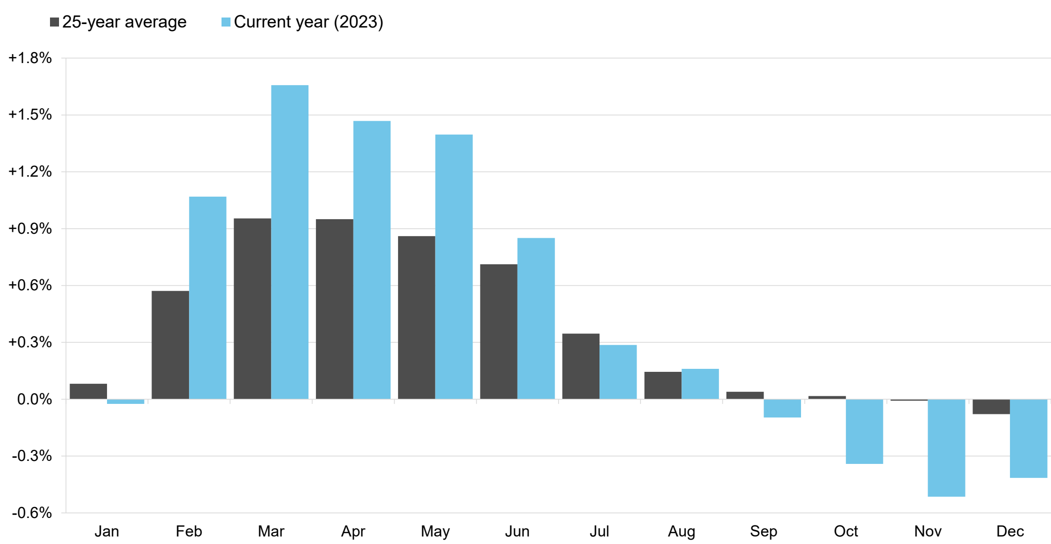
- The ICE Home Price Index for December reported annual growth rose to +5.6% from +5.1% in November, which at first glance suggests an accelerating housing market
- That acceleration, however, is a residual effect of last spring and summer's strong run of growth, with more recent data suggesting that growth rate will begin to cool in coming months
- The seasonally adjusted monthly growth rate picked up from +0.09% in November to +0.13% in December, but remains cool, with prices falling -0.42% in the month on a non-adjusted basis, well below the 25-year December average of -0.08%
- The seasonally adjusted annual rate (SAAR) came in at 1.5%, suggesting that while the annual home price growth rate has been rising rather sharply for the past seven months, it's likely to level out in January and begin to trend downward in coming months
- As it stands today, interest rates are a roughly a half-percent higher, affordability is modestly worse and inventory is modestly better than it was this time last year, all of which have home prices trending toward more modest growth this spring
- That said, rates continue to be the key driver, and meaningful swings up or down could heat or cool the spring season

ICE Home Price Index (HPI)



Source: ICE Home Price Index (HPI)

One-month change in home prices
(ICE Home Price Index, NSA)



Source: ICE Home Price Index (HPI)

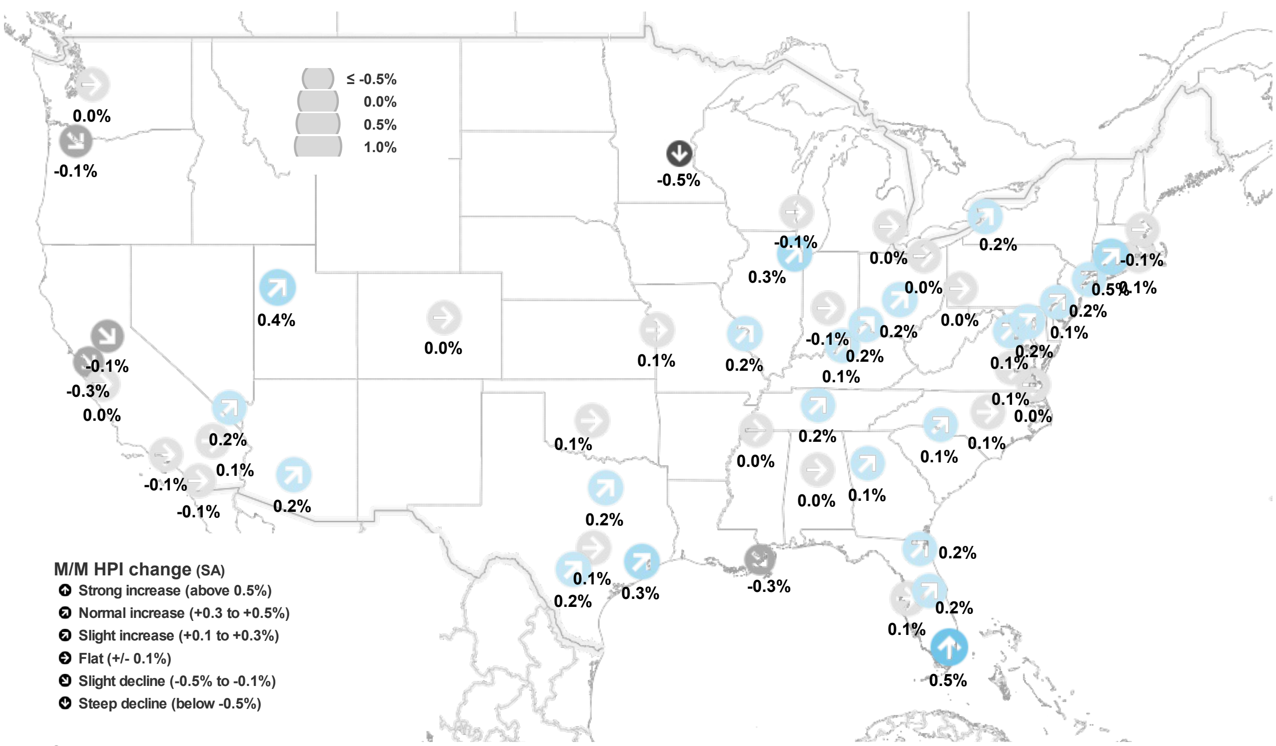
Housing market update

December price gains were modest, with stronger growth in the Northeast/Midwest; 11 markets saw price declines, largely in the West

- Monthly gains were subdued across most of the U.S. in December on a seasonally adjusted basis
- Among the 50 largest markets, only Miami (+0.54%, SAAR = +6.5%) and Hartford (+0.47%, SAAR = +5.6%) saw price gains equivalent to a SAAR of 5% or more
- 11 markets saw prices fall on a seasonally adjusted basis in December, although most of those declines were relatively modest
- Minneapolis (-0.54%), San Francisco (-0.33%), and New Orleans (-0.31%) experienced the largest single-month price declines

Month-over-month change in home prices

(Seasonally adjusted)

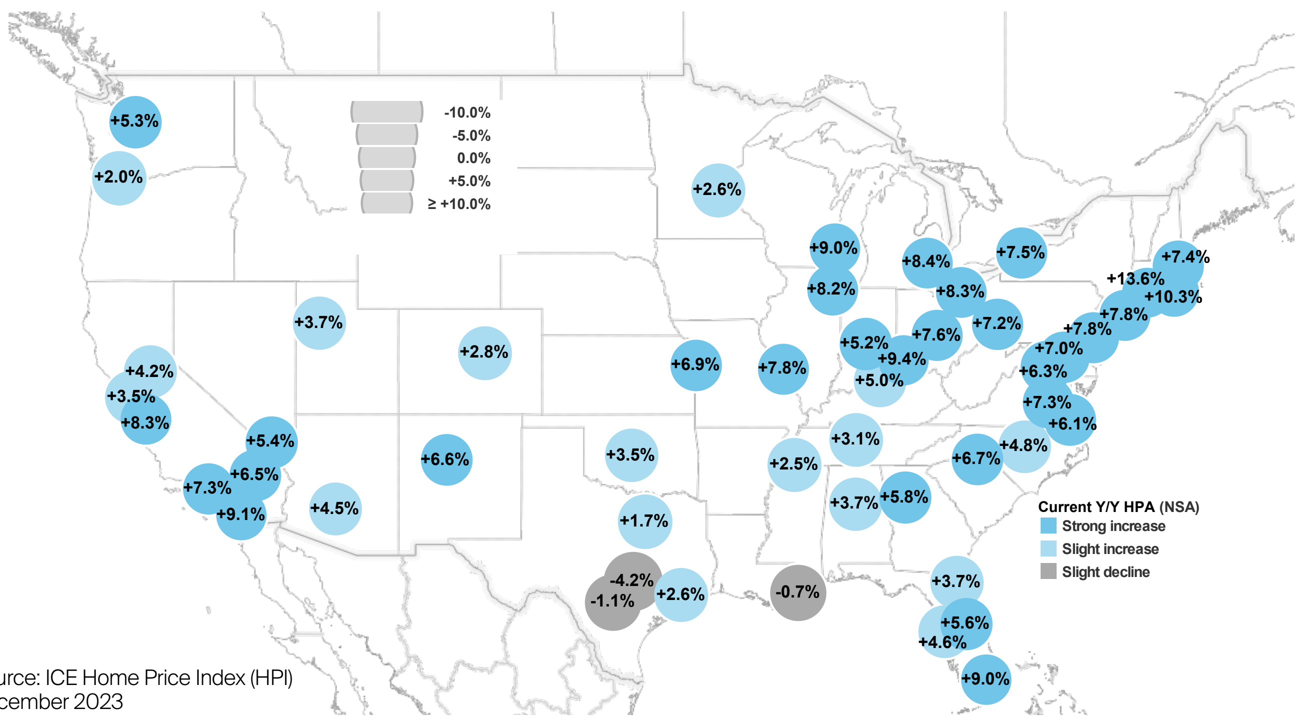


Source: ICE Home Price Index (HPI)
December 2023

Housing market update

- When looking at annual home price growth rates, Northeast and Midwest markets continue to lead the way
- Hartford leads all markets, with prices up +13.6% year over year, followed by Providence (+10.3%) and Cincinnati (+9.4%)
- San Diego ranks fourth with prices up +9.1% from the same time last year, with Milwaukee (+9.0%) rounding out the top five
- San Diego and San Jose climbed back into the top 10 after price corrections in late 2022; both, however, saw prices ease on an adjusted basis in December, suggesting those annual growth rates could come back down in coming months
- Only three of the 50 largest markets are seeing prices below last year's levels, including Austin, where prices are down 4.2% year over year and more than 14% off a May 2022 peak
- Prices in San Antonio (-1.1%) and New Orleans (-0.7%) are also modestly lower than last year, with monthly declines in New Orleans suggesting that trend could continue

Annual home-price growth rates by CBSA



Source: ICE Home Price Index (HPI)
December 2023

Highest home price growth rates		
Rank	Geography (CBSA)	Annual home price growth rate
1	Hartford, CT	+13.6%
2	Providence, RI	+10.3%
3	Cincinnati, OH	+9.4%
4	San Diego, CA	+9.1%
5	Milwaukee, WI	+9.0%
6	Miami, FL	+9.0%
7	Detroit, MI	+8.4%
8	Cleveland, OH	+8.3%
9	San Jose, CA	+8.3%
10	Chicago, IL	+8.2%

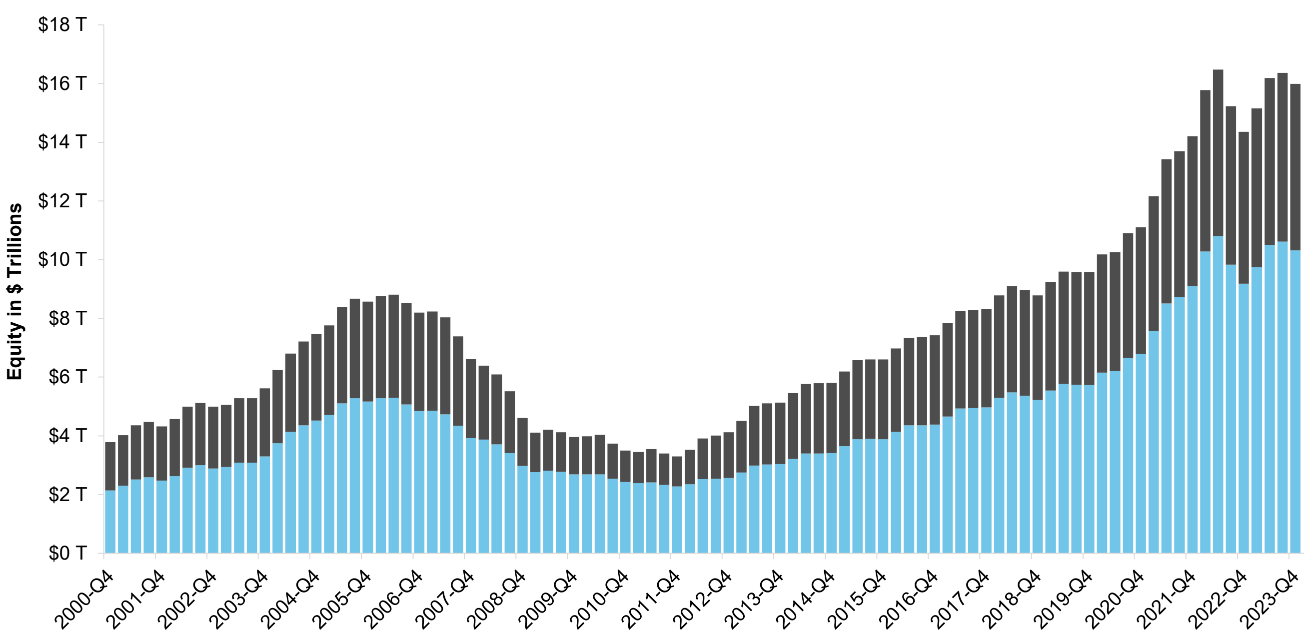
Lowest home price growth rates		
Rank	Geography (CBSA)	Annual home price growth rate
41	Nashville, TN	+3.1%
42	Denver, CO	+2.8%
43	Houston, TX	+2.6%
44	Minneapolis, MN	+2.6%
45	Memphis, TN	+2.5%
46	Portland, OR	+2.0%
47	Dallas, TX	+1.7%
48	New Orleans, LA	-0.7%
49	San Antonio, TX	-1.1%
50	Austin, TX	-4.2%

Housing market update

Mortgage holders' equity levels rose by 11% in 2023

- Mortgage holders ended 2023 with $16T in equity, the highest year-end total on record, and up $1.6T (+11%) from the same time last year
- $10.3T of that is considered "tappable," meaning it can be withdrawn while maintaining an 80% or lower combined loan-to-value (CLTV) ratio, a number that rose $1.14T (+12%) in 2023
- The average mortgage holder now has $299K in equity, up from $274K at the end of 2022, with an average $193K in equity that could be withdrawn while still maintaining a 20% equity cushion in their home
- Historically high levels of equity continue to help insulate mortgage investors from potential losses, and create the conditions for an upswing in equity lending when interest rates ease enough to make withdrawals more attractive to homeowners.
- Two thirds of all equity is held by borrowers with rates on their current mortgage below 4%, providing a disincentive for borrowers (especially those with large balances) to refinance their existing mortgages to tap available equity
- An equivalent two thirds is held by borrowers with credit scores of 760 or higher, providing an attractive lower risk cohort of borrowers for lenders to cater to
- Total market CLTV is 45.9%, an improvement from 47.2% the same time last year, but up from a record low of 42.6% back in mid-2022

Homeowner equity on mortgaged residential properties

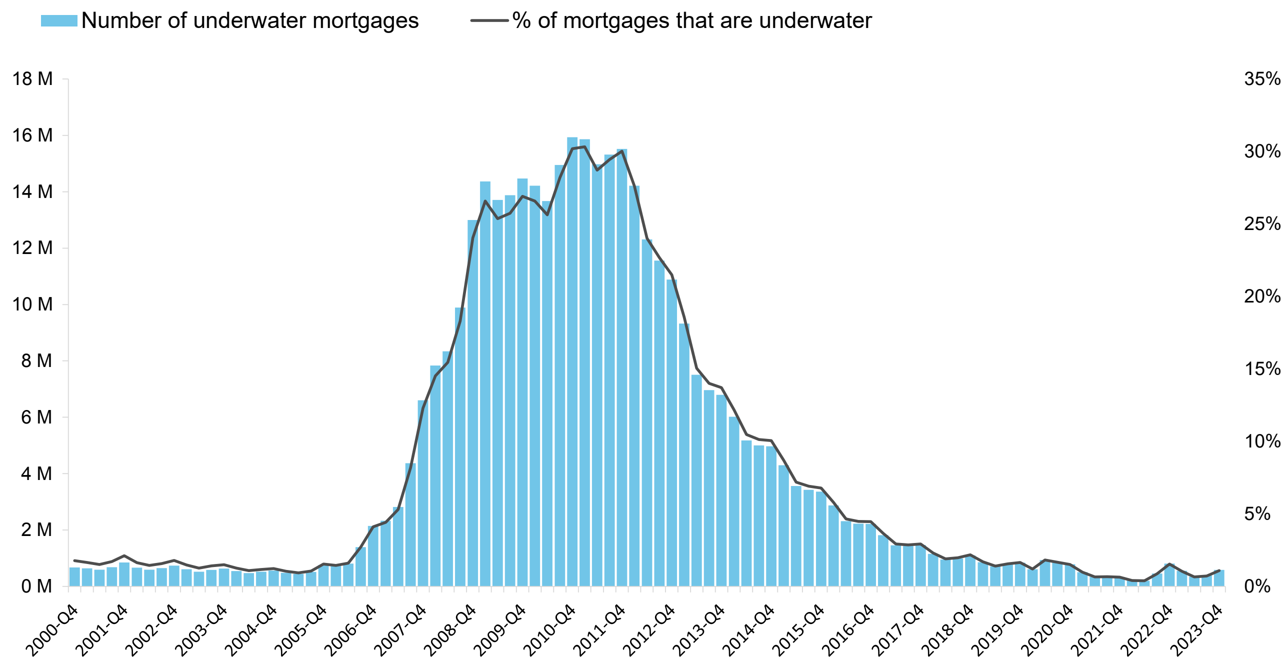


Source: ICE, McDash +Property

Housing market update

- Record home prices across the majority of the U.S. also means very few homeowners are currently underwater on their homes
- Only 1.1% of mortgage holders (582K) ended the year underwater, down from 1.5% (807K) at this time last year
- The share of borrowers who have less than 10% equity in their homes is steady from last year at 5.3%, after reaching as low as 2.2% at the peak of home prices in Q2 2022
- With home prices there now more than 14% off their 2022 peaks, Austin has the highest share of mortgages currently underwater (3.2%), of any major market, followed by New Orleans and San Antonio at 2.0%
- Underwater mortgages are effectively nonexistent in West Coast markets such as San Jose and Los Angeles, with 99.9% of mortgages in positive equity positions

Number and share of underwater mortgages



Source: ICE, McDash +Property

Underwater mortgages: properties where the combined outstanding principal balance of first and second lien mortgage debt exceeds the current estimated home value

Appendix

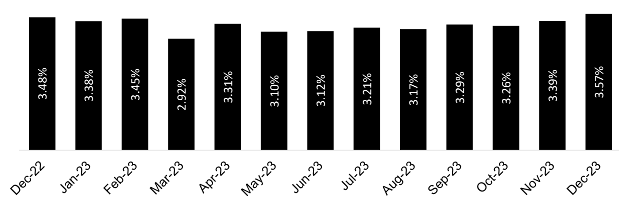
Summary Statistics

(Dec. 31, 2023)

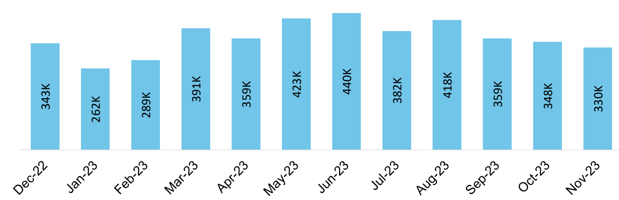
	Dec-23	Monthly change	YTD change	Yearly change
Delinquencies	3.57%	5.73%	-7.68%	-2.80%
Foreclosure	0.40%	-12.34%	-6.41%	-3.63%
Foreclosure Starts	23,900	-26.46%	-13.85%	-11.11%
Seriously Delinquent (90+) or in Foreclosure	1.29%	-17.35%	-15.57%	-21.87%
New Originations (data as of Nov-23)	330K	-3.9%	27.4%	-32.5%

	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22
Delinquencies	3.57%	3.39%	3.26%	3.29%	3.17%	3.21%	3.12%	3.10%	3.31%	2.92%	3.45%	3.38%	3.48%
Foreclosure	0.40%	0.41%	0.41%	0.40%	0.41%	0.42%	0.42%	0.43%	0.44%	0.46%	0.46%	0.45%	0.44%
Foreclosure Starts	23,900	29,100	33,100	25,400	31,900	26,300	28,000	25,400	24,800	32,200	29,500	32,500	28,200
Seriously Delinquent (90+ or in Foreclosure	1.29%	1.27%	1.25%	1.26%	1.25%	1.30%	1.31%	1.35%	1.40%	1.43%	1.53%	1.56%	1.55%
New Originations		330K	348K	359K	418K	382K	440K	423K	359K	391K	289K	262K	343K

Total delinquencies



New originations



Non-current loans by state

(Dec. 31, 2023)

State		DQ %	FC %	NC %	Yr/yr change in NC%
National		3.6%	0.4%	4.0%	1.2%
MS		7.8%	0.6%	8.4%	3.5%
LA	*	7.3%	0.9%	8.2%	9.8%
AL		5.7%	0.3%	6.1%	4.8%
WV		5.1%	0.4%	5.5%	-0.1%
IN	*	5.0%	0.6%	5.5%	2.6%
AR		5.1%	0.4%	5.5%	2.2%
PA	*	4.7%	0.7%	5.4%	1.6%
OH	*	4.4%	0.6%	5.0%	-1.4%
TX		4.6%	0.3%	5.0%	7.3%
GA		4.7%	0.3%	5.0%	4.9%
OK	*	4.3%	0.6%	4.9%	-5.2%
DE	*	4.4%	0.5%	4.9%	4.4%
IL	*	4.3%	0.6%	4.9%	-1.5%
MD	*	4.3%	0.4%	4.8%	2.1%
SC	*	4.2%	0.5%	4.6%	3.1%
KY	*	4.0%	0.6%	4.6%	-2.7%
NY	*	3.3%	1.2%	4.5%	-3.0%

State		DQ %	FC %	NC %	Yr/yr change in NC%
National		3.6%	0.4%	4.0%	1.2%
FL	*	3.7%	0.5%	4.2%	-5.0%
CT	*	3.6%	0.5%	4.2%	-2.1%
IA	*	3.7%	0.5%	4.2%	-2.8%
MO		3.9%	0.3%	4.1%	-2.3%
MI		3.8%	0.2%	4.0%	-0.9%
RI		3.6%	0.3%	4.0%	-8.4%
WI	*	3.5%	0.4%	3.9%	1.6%
TN		3.7%	0.2%	3.9%	2.8%
KS	*	3.6%	0.3%	3.9%	0.7%
NJ	*	3.4%	0.5%	3.9%	-2.7%
ME	*	3.1%	0.7%	3.8%	-1.4%
NM	*	3.1%	0.5%	3.6%	-3.3%
NE	*	3.4%	0.3%	3.6%	2.6%
NC		3.4%	0.3%	3.6%	-0.6%
VA		3.4%	0.2%	3.6%	0.8%
VT	*	2.8%	0.6%	3.3%	-7.3%
MN		3.1%	0.3%	3.3%	2.2%

State		DQ %	FC %	NC %	Yr/yr change in NC%
National		3.6%	0.4%	4.0%	1.2%
MA		2.9%	0.3%	3.2%	1.9%
SD	*	2.7%	0.4%	3.1%	8.2%
NV		2.8%	0.3%	3.1%	2.8%
AZ		2.9%	0.1%	3.0%	8.5%
DC		2.3%	0.7%	3.0%	1.9%
AK		2.6%	0.4%	3.0%	-8.4%
ND	*	2.4%	0.5%	3.0%	-9.0%
UT		2.8%	0.1%	3.0%	3.6%
HI	*	2.2%	0.8%	2.9%	3.7%
WY		2.7%	0.2%	2.9%	-5.8%
NH		2.7%	0.2%	2.9%	-4.4%
OR		2.1%	0.2%	2.3%	3.7%
CA		2.2%	0.2%	2.3%	3.8%
ID		2.1%	0.2%	2.3%	11.4%
MT		2.0%	0.2%	2.2%	-1.2%
WA		2.0%	0.2%	2.2%	6.8%
CO		2.0%	0.1%	2.1%	1.6%

* Indicates judicial state

Appendix

Loan counts and average days delinquent

(Dec. 31, 2023)

Month	Total active count	30 days	60 days	90+ days	Foreclosure (FC)	Total non-current	FC starts	FC sales (completions)	Average days delinquent for 90+	Average days delinquent for FC	DQ%	Monthly change	Yearly change	FC%	Monthly change	Yearly change
12/31/00	41,340,000	1,403,000	332,000	378,000	190,000	2,302,000	32,800	16,200	210	305	5.1%	15.6%		0.5%	-2.7%	
12/31/01	42,676,000	1,471,000	373,000	548,000	309,000	2,701,000	76,100	21,400	211	282	5.6%	10.3%	9.7%	0.7%	3.7%	58.1%
12/31/02	43,421,000	1,425,000	364,000	483,000	317,000	2,587,000	76,400	23,200	237	298	5.2%	0.8%	-6.7%	0.7%	0.1%	0.5%
12/31/03	43,833,000	1,204,000	336,000	474,000	321,000	2,335,000	83,100	24,300	275	345	4.6%	-6.0%	-12.1%	0.7%	6.7%	0.4%
12/31/04	46,586,000	1,077,000	300,000	424,000	268,000	2,070,000	70,000	23,200	248	340	3.9%	-3.4%	-15.8%	0.6%	0.0%	-21.3%
12/31/05	49,764,000	1,332,000	412,000	538,000	247,000	2,528,000	74,700	21,600	202	306	4.6%	1.7%	18.5%	0.5%	6.1%	-13.7%
12/31/06	52,667,000	1,602,000	483,000	538,000	383,000	3,006,000	106,800	32,300	203	272	5.0%	9.1%	8.6%	0.7%	6.4%	46.3%
12/31/07	54,156,000	1,792,000	663,000	904,000	729,000	4,088,000	168,800	51,500	188	258	6.2%	8.3%	24.6%	1.3%	10.8%	85.3%
12/31/08	54,448,000	2,032,000	953,000	1,755,000	1,242,000	5,982,000	229,800	59,600	192	318	8.7%	0.6%	40.3%	2.3%	5.9%	69.5%
12/31/09	54,131,000	1,840,000	896,000	2,909,000	2,043,000	7,689,000	230,000	99,400	247	415	10.4%	0.7%	19.8%	3.8%	0.0%	65.4%
12/31/10	53,070,000	1,739,000	753,000	2,136,000	2,314,000	6,943,000	285,400	79,600	331	520	8.7%	-1.7%	-16.4%	4.4%	3.2%	15.5%
12/31/11	51,973,000	1,639,000	660,000	1,834,000	2,204,000	6,337,000	185,100	76,200	394	667	8.0%	0.8%	-8.8%	4.2%	-0.1%	-2.7%
12/31/12	50,867,000	1,500,000	594,000	1,587,000	1,751,000	5,433,000	144,300	58,700	463	802	7.2%	1.3%	-9.0%	3.4%	-1.5%	-18.8%
12/31/13	49,779,000	1,393,000	534,000	1,260,000	1,246,000	4,433,000	110,000	43,600	498	908	6.4%	-0.1%	-11.5%	2.5%	-0.7%	-27.3%
12/31/14	49,618,000	1,235,000	466,000	1,066,000	863,000	3,631,000	88,500	28,700	507	1,026	5.6%	-6.7%	-12.9%	1.7%	-0.5%	-30.6%
12/31/15	49,662,000	1,138,000	412,000	793,000	676,000	3,019,000	76,800	27,600	493	1,055	4.7%	-3.2%	-15.4%	1.4%	-1.1%	-21.7%
12/31/16	49,796,000	1,186,000	403,000	689,000	497,000	2,774,000	59,400	20,700	449	1,024	4.6%	-0.1%	-3.1%	1.0%	-2.5%	-26.7%
12/31/17	50,091,000	1,297,000	451,000	750,000	354,000	2,853,000	44,500	13,000	351	923	5.0%	4.8%	9.1%	0.7%	-0.1%	-29.1%
12/31/18	50,458,000	1,202,000	384,000	536,000	308,000	2,430,000	48,300	12,200	398	829	4.2%	5.2%	-15.7%	0.6%	1.4%	-13.6%
12/31/19	51,144,000	1,158,000	378,000	480,000	288,000	2,304,000	51,800	11,400	348	764	3.9%	-2.1%	-6.2%	0.6%	-0.3%	-7.9%
12/31/20	51,663,000	888,000	366,000	2,283,000	214,000	3,751,000	8,200	2,900	260	1,169	6.8%	-3.4%	73.6%	0.4%	0.2%	-26.4%
12/31/21	51,822,000	745,000	225,000	1,132,000	167,000	2,270,000	9,000	4,800	414	1,560	4.1%	-4.9%	-40.7%	0.3%	-1.7%	-22.1%
12/31/22	52,450,000	954,000	290,000	583,000	232,000	2,058,000	28,200	6,100	353	1,112	3.5%	-0.1%	-14.2%	0.4%	-0.2%	36.9%
12/31/23	53,376,000	1,097,000	336,000	475,000	212,000	2,120,000	23,900	5,400	323	954	3.6%	5.6%	2.6%	0.4%	-2.4%	-10.2%

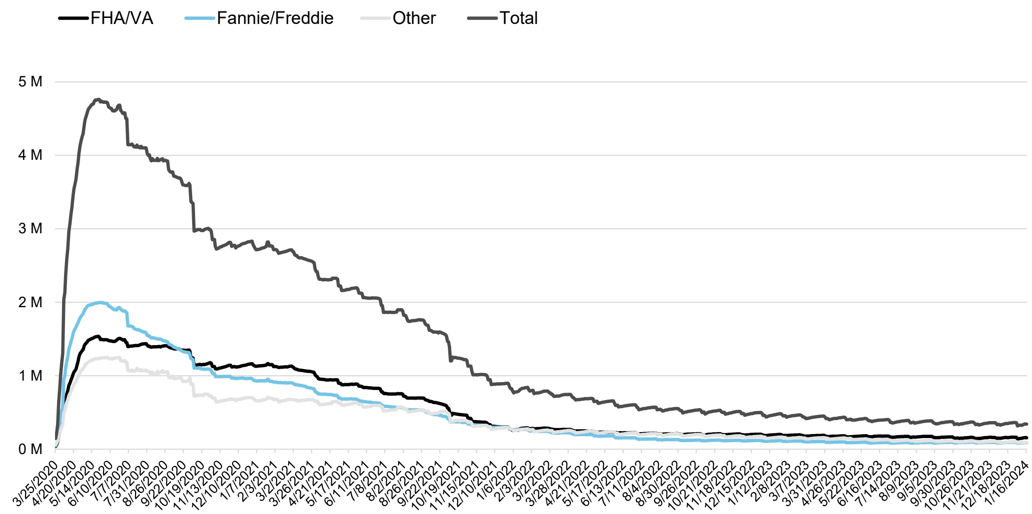
Loan counts and average days delinquent – recent months

(Dec. 31, 2023)

Month	Total active count	30 days	60 days	90+ days	Foreclosure (FC)	Total non-current	FC starts	FC sales (completions)	Average days delinquent for 90+	Average days delinquent for FC	DQ%	Monthly change	Yearly change	FC%	Monthly change	Yearly change
12/31/21	51,822,000	745,000	225,000	1,132,000	167,000	2,270,000	9,000	4,800	414	1,560	4.1%	-4.9%	-40.7%	0.3%	-1.7%	-22.1%
1/31/22	51,843,000	792,000	237,000	1,034,000	190,000	2,254,000	39,300	5,500	414	1,396	4.0%	-1.9%	-40.1%	0.4%	13.7%	-11.5%
2/28/22	51,872,000	856,000	244,000	945,000	205,000	2,251,000	30,800	5,000	409	1,322	3.9%	-0.9%	-41.9%	0.4%	7.9%	-2.7%
3/31/22	51,905,000	691,000	215,000	842,000	209,000	1,957,000	34,100	6,000	409	1,282	3.4%	-14.6%	-41.0%	0.4%	1.5%	-0.4%
4/30/22	51,970,000	731,000	202,000	752,000	220,000	1,905,000	36,600	5,600	408	1,238	3.2%	-3.7%	-39.4%	0.4%	5.2%	8.1%
5/31/22	52,042,000	760,000	213,000	686,000	222,000	1,881,000	26,500	5,700	408	1,213	3.2%	-1.7%	-41.3%	0.4%	0.7%	12.0%
6/30/22	52,128,000	800,000	227,000	648,000	229,000	1,903,000	31,500	6,000	407	1,175	3.2%	0.7%	-36.6%	0.4%	3.2%	19.9%
7/31/22	52,190,000	862,000	247,000	629,000	224,000	1,962,000	22,900	7,500	390	1,171	3.3%	3.7%	-31.7%	0.4%	-2.4%	20.2%
8/31/22	52,281,000	825,000	249,000	598,000	229,000	1,901,000	28,800	6,700	396	1,172	3.2%	-4.0%	-31.9%	0.4%	2.0%	24.8%
9/30/22	52,356,000	816,000	249,000	587,000	228,000	1,880,000	24,200	6,900	388	1,158	3.2%	-1.3%	-31.3%	0.4%	-0.7%	30.7%
10/31/22	52,359,000	910,000	264,000	582,000	228,000	1,983,000	24,900	6,400	379	1,148	3.4%	6.2%	-24.9%	0.4%	0.0%	29.9%
11/30/22	52,399,000	958,000	288,000	582,000	232,000	2,059,000	27,300	6,300	371	1,129	3.5%	4.0%	-18.3%	0.4%	1.8%	34.8%
12/31/22	52,450,000	954,000	290,000	583,000	232,000	2,058,000	28,200	6,100	353	1,112	3.5%	-0.1%	-14.2%	0.4%	-0.2%	36.9%
1/31/23	52,492,000	908,000	288,000	579,000	238,000	2,012,000	32,500	7,000	348	1,075	3.4%	-2.9%	-15.1%	0.5%	2.4%	23.3%
2/28/23	52,522,000	973,000	276,000	562,000	240,000	2,050,000	29,500	7,100	345	1,057	3.4%	2.0%	-12.6%	0.5%	0.8%	15.2%
3/31/23	52,657,000	786,000	242,000	511,000	240,000	1,779,000	32,200	7,500	356	1,045	2.9%	-15.2%	-13.2%	0.5%	-0.2%	13.2%
4/30/23	52,728,000	986,000	259,000	502,000	234,000	1,980,000	24,800	6,400	358	1,034	3.3%	13.3%	2.1%	0.4%	-2.6%	4.9%
5/31/23	52,789,000	892,000	264,000	483,000	229,000	1,868,000	25,400	6,800	363	1,035	3.1%	-6.3%	-2.6%	0.4%	-2.0%	2.0%
6/30/23	52,866,000	911,000	268,000	471,000	224,000	1,874,000	28,000	6,900	362	1,029	3.1%	0.5%	-2.8%	0.4%	-2.5%	-3.6%
7/31/23	52,914,000	946,000	285,000	468,000	220,000	1,919,000	26,300	6,100	359	1,025	3.2%	2.9%	-3.6%	0.4%	-2.0%	-3.2%
8/31/23	53,056,000	948,000	288,000	448,000	215,000	1,899,000	31,900	6,900	358	1,013	3.2%	-1.2%	-0.8%	0.4%	-2.4%	-7.4%
9/30/23	53,135,000	997,000	296,000	455,000	214,000	1,963,000	25,400	6,400	353	1,014	3.3%	3.7%	4.3%	0.4%	-0.4%	-7.2%
10/31/23	53,205,000	980,000	306,000	447,000	217,000	1,951,000	33,100	6,400	347	972	3.3%	-1.0%	-2.8%	0.4%	1.2%	-6.1%
11/30/23	53,250,000	1,022,000	322,000	459,000	216,000	2,020,000	29,100	6,500	335	953	3.4%	3.9%	-2.9%	0.4%	-0.4%	-8.2%
12/31/23	53,376,000	1,097,000	336,000	475,000	212,000	2,120,000	23,900	5,400	323	954	3.6%	5.6%	2.6%	0.4%	-2.4%	-10.2%

Appendix

Active forebearance plans



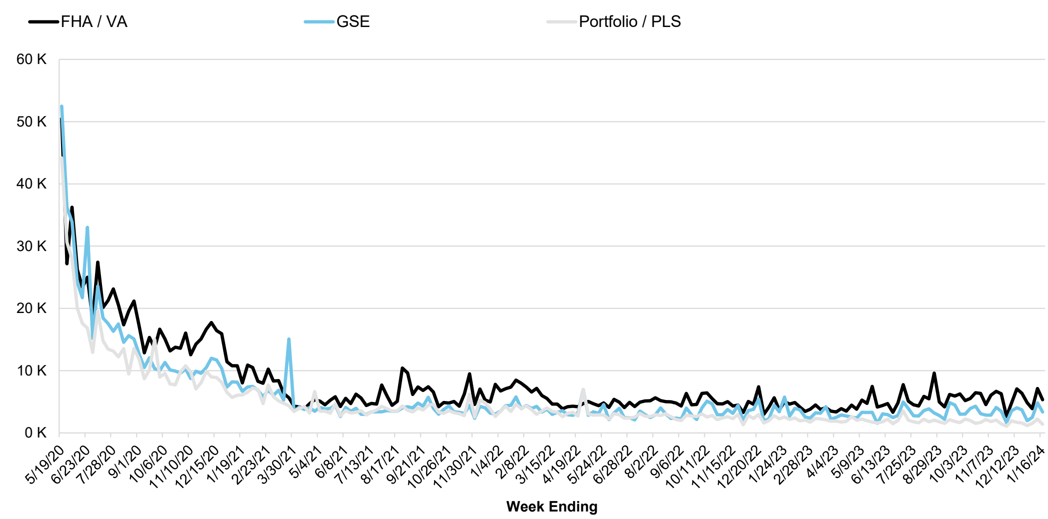
Source: ICE, McDash Flash, Data as of Jan. 16, 2024

	Fannie & Freddie	FHA & VA	Other**	Total
Loans in forbearance*	90,000	156,000	95,000	341,000
UPB of loans in forbearance ($Bil)*	$20	$29	$15	$65
Share of loans in forbearance*	0.3%	1.3%	0.7%	0.6%

Source: ICE, McDash Flash Data as of Jan. 16, 2024

*Figures in this report are based on observations from the ICE McDash Flash data set and are extrapolated to estimate the full mortgage market
**Other category includes held in portfolios, private-labeled securities, or by other entities

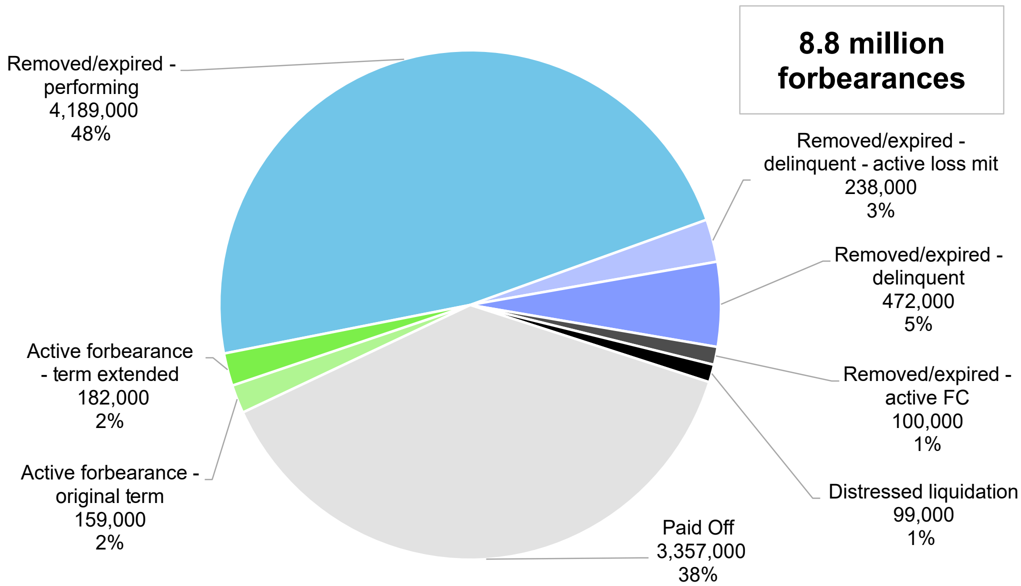
New forbearance plan starts by investor



Source: ICE, McDash Flash Data as of Jan. 16, 2024

Appendix

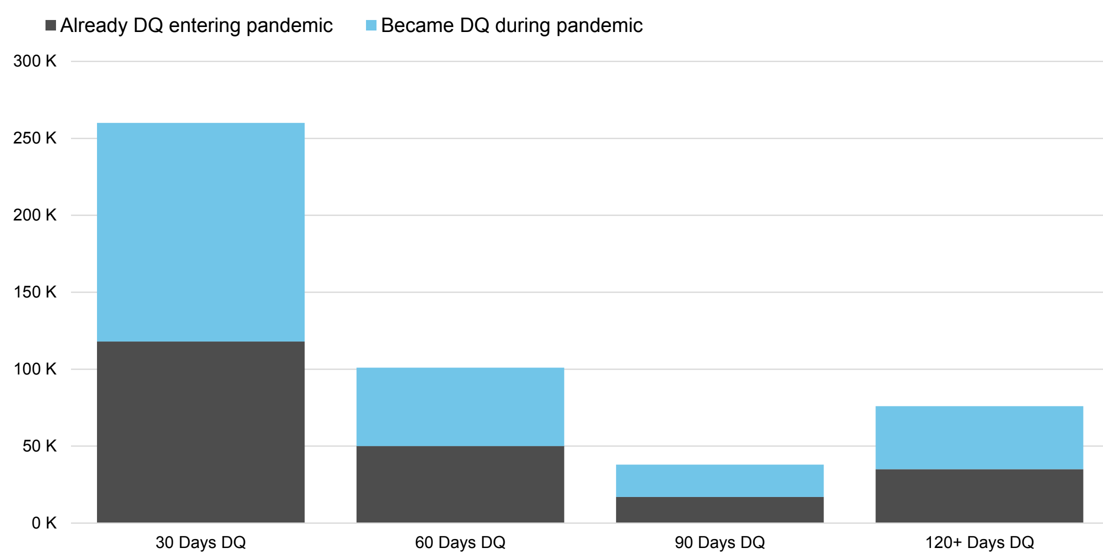
Current status of COVID-19 related forbearances



Source: ICE, McDash Flash Data through Jan. 16, 2024

Breakdown of loans that remain delinquent following forbearance plan exit

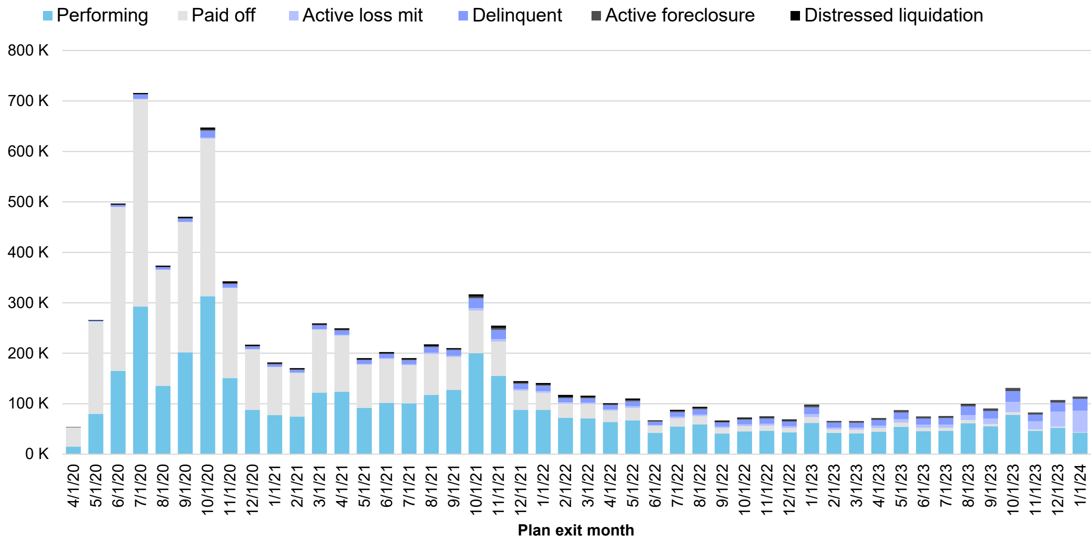
(Excluding loans in active loss mitigation or foreclosure)



Source: ICE, McDash Flash Data through Jan. 16, 2024

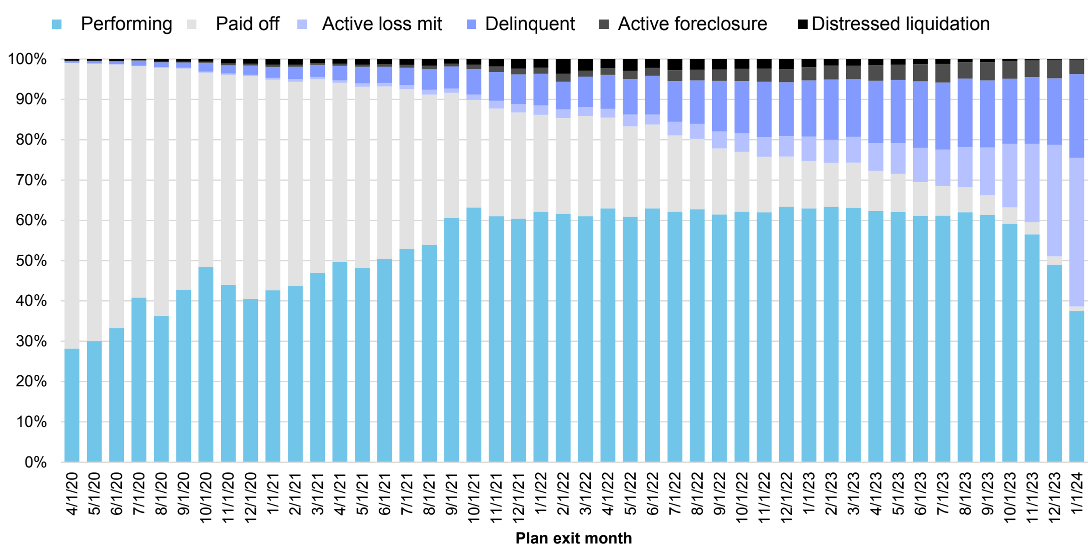
Appendix

Current status of loans that have left COVID-19 forbearance plans



Source: ICE, McDash Flash Data through Jan. 16, 2024

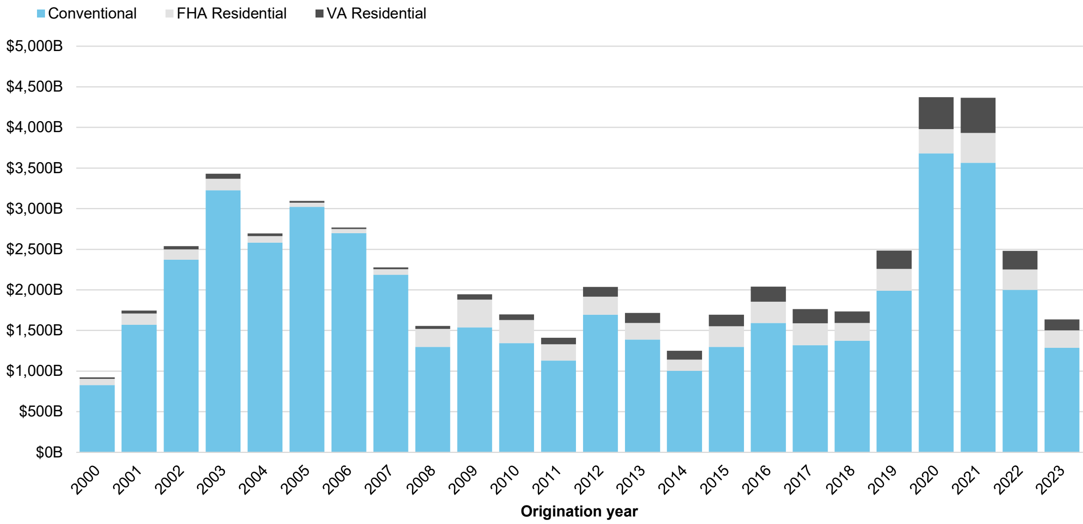
Current status of loans that have left COVID-19 forbearance plans



Source: ICE, McDash Flash Data through Jan. 16, 2024

Appendix

First lien mortgage originations by product type



Source: ICE, McDash

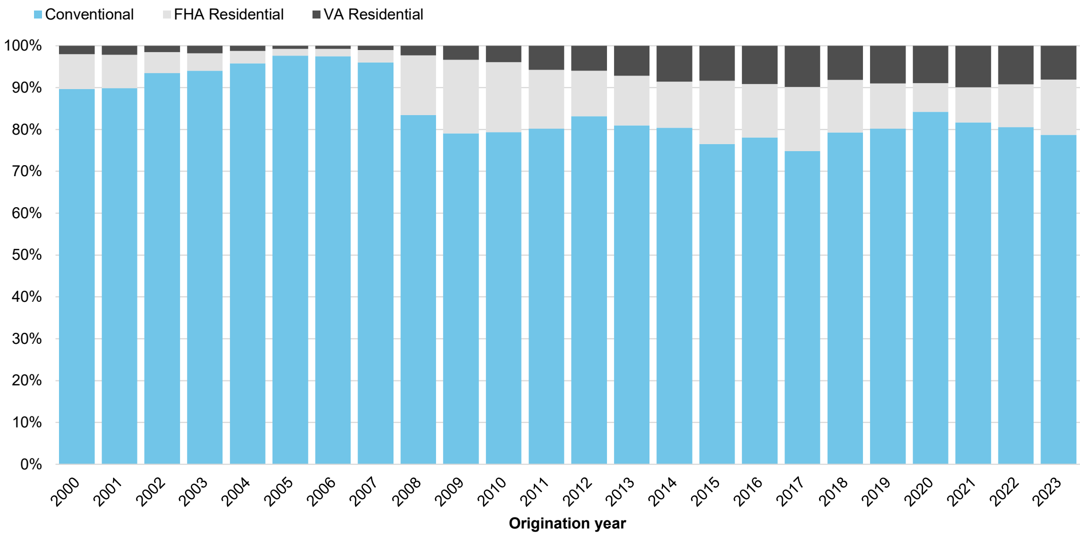
First lien mortgage originations by product type in $Billions

Origination Year	Conventional	FHA Residential	VA Residential	Grand Total
2000	$828	$77	$18	$923
2001	$1570	$139	$38	$1746
2002	$2372	$127	$39	$2537
2003	$3226	$141	$63	$3429
2004	$2582	$79	$33	$2694
2005	$3021	$51	$22	$3095
2006	$2699	$49	$21	$2769
2007	$2186	$69	$23	$2278
2008	$1299	$222	$36	$1557
2009	$1539	$342	$65	$1946
2010	$1346	$285	$66	$1696
2011	$1132	$199	$81	$1411
2012	$1694	$221	$122	$2037
2013	$1389	$204	$123	$1716
2014	$1005	$138	$107	$1250
2015	$1296	$256	$142	$1693
2016	$1594	$260	$187	$2040
2017	$1320	$270	$174	$1763
2018	$1374	$219	$141	$1734
2019	$1990	$270	$223	$2482
2020	$3681	$298	$392	$4371
2021	$3564	$368	$432	$4364
2022	$2000	$253	$229	$2482
2023	$1287	$216	$133	$1635

Source: ICE, McDash

Appendix

Number of first lien mortgage originations by product type



Source: ICE, McDash

Number of first lien mortgage originations by product type

Origination Year	Conventional	FHA Residential	VA Residential	Grand Total
2000	5,680,000	750,000	150,000	6,580,000
2001	10,030,000	1,240,000	310,000	11,580,000
2002	13,410,000	1,090,000	310,000	14,800,000
2003	18,030,000	1,180,000	500,000	19,700,000
2004	12,440,000	660,000	260,000	13,360,000
2005	12,920,000	420,000	140,000	13,480,000
2006	11,020,000	370,000	120,000	11,510,000
2007	8,840,000	470,000	120,000	9,430,000
2008	5,510,000	1,280,000	180,000	6,970,000
2009	6,470,000	1,910,000	320,000	8,700,000
2010	5,660,000	1,560,000	320,000	7,540,000
2011	5,040,000	1,150,000	390,000	6,570,000
2012	7,290,000	1,230,000	550,000	9,070,000
2013	6,370,000	1,200,000	560,000	8,140,000
2014	4,240,000	870,000	480,000	5,600,000
2015	4,960,000	1,360,000	590,000	6,910,000
2016	5,680,000	1,320,000	730,000	7,730,000
2017	4,850,000	1,340,000	690,000	6,880,000
2018	4,710,000	1,060,000	540,000	6,320,000
2019	5,970,000	1,200,000	770,000	7,950,000
2020	10,880,000	1,260,000	1,280,000	13,420,000
2021	10,850,000	1,490,000	1,350,000	13,690,000
2022	5,320,000	930,000	640,000	6,880,000
2023	3,250,000	740,000	370,000	4,350,000

Source: ICE, McDash

Appendix

Days from application to close

First lien mortgage originations

Origination month	Conventional	FHA	VA	Total market
2018-03	42	43	44	42
2018-04	42	43	43	42
2018-05	42	43	44	43
2018-06	43	45	45	44
2018-07	43	45	46	44
2018-08	43	45	45	44
2018-09	43	46	45	44
2018-10	43	45	46	44
2018-11	43	45	45	43
2018-12	43	44	45	43
2019-01	45	46	46	45
2019-02	41	42	42	41
2019-03	40	41	41	40
2019-04	39	41	41	40
2019-05	41	42	43	41
2019-06	42	44	44	43
2019-07	42	45	45	43
2019-08	43	46	45	44
2019-09	44	47	46	45
2019-10	45	48	46	46
2019-11	46	48	46	46
2019-12	47	48	47	47
2020-01	49	51	48	49
2020-02	42	47	43	43
2020-03	39	44	41	40
2020-04	43	45	44	43
2020-05	48	48	46	48
2020-06	49	48	47	49
2020-07	50	49	48	49
2020-08	51	51	49	51
2020-09	53	53	51	53
2020-10	56	55	53	56
2020-11	58	57	54	58
2020-12	58	57	55	57
2021-01	58	60	56	58
2021-02	54	57	52	54
2021-03	52	54	50	52
2021-04	52	53	50	52
2021-05	49	52	47	49
2021-06	48	52	47	49
2021-07	47	52	47	48
2021-08	45	51	46	46
2021-09	45	51	46	46
2021-10	46	51	47	47
2021-11	46	51	48	47
2021-12	46	52	49	47
2022-01	47	54	50	49
2022-02	44	52	49	46
2022-03	43	49	48	44
2022-04	43	48	48	44
2022-05	44	48	49	45
2022-06	46	48	50	46
2022-07	46	48	49	47
2022-08	45	46	47	46
2022-09	44	46	48	45
2022-10	44	46	47	45
2022-11	45	47	47	46
2022-12	44	46	46	45
2023-01	46	48	47	46
2023-02	40	43	42	41
2023-03	40	42	42	41
2023-04	40	42	43	41
2023-05	41	43	44	42
2023-06	42	45	46	43
2023-07	42	46	46	44
2023-08	42	46	45	43
2023-09	43	47	46	44
2023-10	43	47	46	44
2023-11	44	46	46	45
2023-12	42	45	43	43

Source: ICE, Market Trends

Definitions

Total active count	All active loans as of month-end, including loans in any state of delinquency or foreclosure. Post-sale loans and loans in REO are excluded from the total active count.
Delinquency statuses (30, 60, 90+, etc.)	All delinquency statuses are calculated using the MBA methodology based on the payment due date provided by the servicer. Loans in foreclosure are reported separately and are not included in the MBA days delinquent.
90-day defaults	Loans that were less than 90 days delinquent in the prior month and were 90 days delinquent, but not in foreclosure, in the current month.
Foreclosure inventory	The servicer has referred the loan to an attorney for foreclosure. Loans remain in foreclosure inventory from referral to sale.
Foreclosure starts	Any active loan that was not in foreclosure in the prior month that moves into foreclosure inventory in the current month.
Non-current	Loans in any stage of delinquency or foreclosure.
Foreclosure sale / new REO	Any loan that was in foreclosure in the prior month that moves into post-sale status or is flagged as a foreclosure liquidation.
REO	The loan is in post-sale foreclosure status. Listing status is not a consideration; this includes all properties on and off the market.
Deterioration ratio	The ratio of the percentage of loans deteriorating in delinquency status versus those improving.

Extrapolation methodology: Mortgage statistics are scaled to estimate the total market performance based on coverage within the McDash database.

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